Government of Saskatchewan

Annual Report 2003 - 2004

Saskatchewan Highways and Transportation

Saskatchewan Centennial 2005

Table of Contents

104-06826/

Letters of Transmittal 1

Introduction 2

Who We Are 3

- Organizational Changes 5

2003-04 Fiscal Year Results 6

- Results at a Glance 6
- Summary of Performance Results 6
- Key Accomplishments 7
- Summary of Financial Results 8
- Progress on Multi-Year Commitments 9
- 2003-04 Performance Results 10
  - Goal 1 – A Sustainable Transportation Infrastructure 10
  - Goal 2 – The Transportation System Strengthens Economic Development and Serves Social Needs 20
  - Goal 3 – Safe Movement of People and Goods 29
- 2003-04 Financial Results 37
- 2003-04 Revenue 38
- Transportation Partnerships Fund 39
- Revolving Fund 39
- Loans and Guaranteed Debt 39

Where to Obtain Additional Information 39

Appendices

- A - Organization Chart 40
- B – Revolving Fund 41
- C – Short Line Railway Financial Assistance Program 42
- D – Legislation and Regulations 43

Web address for the Saskatchewan Highways and Transportation 2003-04 Annual Report

***http**://www.highways.gov.sk.ca/*

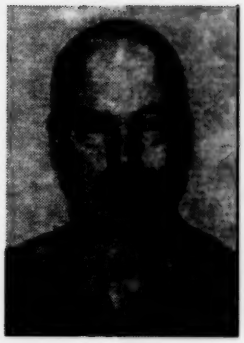
Letters of Transmittal

Her Honour the Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report for the Department of Highways and Transportation for the fiscal year ending March 31, 2004.

Maynard Sonntag
Minister of Highways and Transportation



The Honourable Maynard Sonntag
Minister of Highways and Transportation

Dear Sir:

I have the honour of submitting the Annual Report of the Department of Highways and Transportation for the fiscal year ending March 31, 2004.

Harvey G. Brooks
Deputy Minister

Introduction

In the 2000-01 budget address, Government announced that it would implement a new accountability framework over the next few years, "giving Saskatchewan people solid reference points by which to judge the performance of their Government". The continuing improvements occurring in the Annual Report are tied to the on-going implementation of this broader initiative.

The 2001-02 Annual Report started a transformation in the type of information being released to the public and stakeholders because it included the 2002-03 Performance Plan that clearly identified:

- The department's strategic plan, which provided a long term vision for the transportation system;
- A set of key actions, which would be completed in 2002-03, to support the strategic plan; and
- A series of performance measures, which would be used to measure progress at achieving the strategic plan.

The 2002-03 Annual Report reported year-end financial and performance results against the 2002-03 Performance Plan, which was published in the previous year. Reporting performance results relative to the Performance Plan increased our accountability to the public.

The 2003-04 Annual Report continues to enhance accountability by improving financial disclosure for the Highways Revolving Fund, Transportation Partnership Fund, Short Line Railway Financial Assistance Program and revenue generated by the department.

This Annual Report documents results for the key actions and performance measures included in the 2003-04 Performance Plan. The 2003-04 Performance Plan was part of the 2002-03 Annual Report and is available at *http://www.highways.gov.sk.ca/docs/transition/reportsManuals.asp*. It also describes results associated with the key actions included in *Our Plan for 2003-04*, which is the Government wide plan released with the 2003-04 budget. *Our Plan for 2003-04* is available at *http://www.gov.sk.ca/finance/budget/budget03/ourplan.pdf*.

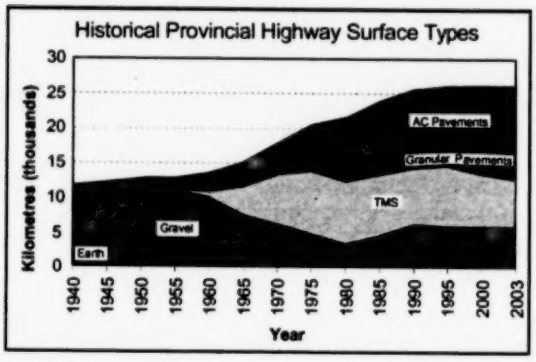
The 2004-05 Performance Plan was published as a separate document with the provincial budget on March 31, 2004 and is available at *http://www.highways.gov.sk.ca/docs/reports_manuals/reports/pp_04.pdf*.

Who We Are

The mandate of the Department of Highways and Transportation is to optimize transportation's contribution to the social and economic development of Saskatchewan by operating, preserving and guiding the development of the provincial transportation system and enhancing provincial transportation system assets.

The provincially operated infrastructure includes 26 264 km of highways, 836 bridges, 31 large culverts, 18 airports in northern Saskatchewan, 12 ferries on the Saskatchewan River system and a barge on Wollaston Lake. The road network consists of 8 952 km of asphalt concrete pavements, 4 744 km of granular pavements, 6 763 km of thin membrane surface (TMS) highways, 5 674 km of gravel surface highways and 131 km of ice roads.

The department continues to make significant progress in transforming TMS highways that are not capable of carrying any significant truck traffic, to granular pavements, which are able to accommodate heavy trucks. In 1995 the Province had 8 600 km of TMS highways and by the end of 2003 the length has been reduced by 1 837 km to 6 763 km, a 21 per cent reduction. The majority of the 1 837 km of TMS highways were converted to granular pavements.



The department's activities can be grouped into four main areas focused on achieving our vision of transforming Saskatchewan's transportation systems to meet the social and economic opportunities of the 21st century:

- Operating the transportation system;
- Preserving the transportation system;
- Restoring and enhancing the transportation system; and
- Planning and developing transportation policy.

Operating the Transportation System

Operating the transportation system involves the delivery of a wide range of services to ensure the safe, orderly and efficient movement of people and goods. This includes pavement marking, signing, lighting, mowing, snow and ice control as well as ferry and airport operations. Related operational services such as property acquisition and management, traffic engineering, trucking programs as well as preservation and engineering services are also provided. It also includes enforcement of transportation legislation for the provincially owned infrastructure and provincially regulated shortline railways.

Operating the province's highway network is facilitated by traffic counting and operational planning as well as developing and administering engineering standards and policies for road design, construction management, roadside development, access management, traffic guidance, road safety and utilization of aggregate resources. Professional and technical expertise is provided to rural municipalities for the municipal road network. The department manages the Municipal Heavy Haul, Traffic Counting and Bridge Programs for the Department of Government Relations and Aboriginal Affairs (GRAA).

As of October 1, 2003 the department had 1,519 employees stationed in 108 Saskatchewan communities. Department crews complete most surface repair activities, like crack filling, sealing and patching. They provide snow and ice control, pavement marking and gravel location services. Department crews also repair and replace signs, as well as operate the 12 Saskatchewan River ferries and most northern airports. Department crews repair and replace most bridges.

The department owns, operates and maintains its own maintenance equipment fleet. Book value of the department's equipment fleet assets is about $50.1 million and the replacement cost is approximately $164 million.

Preserving the Transportation System

Preserving the transportation system involves preventative maintenance and management of provincial highways, bridges, airports, and ferries to ensure a sustainable transportation system is available for the safe, orderly and efficient movement of people and goods. Paved, gravel and TMS highways are sustained through annual surface repair and preventative maintenance activities. Preventative maintenance and regular repair is also required to ensure bridges stay in service up to or beyond their design life.

The Strategic Partnership Program facilitates partnerships that support the strategic preservation and management of low traffic volume TMS highways through cost-effective, mutually beneficial agreements with municipalities and First Nations to provide acceptable levels of service for local residents.

Restoring and Enhancing the Transportation System

Restoring the transportation system ensures that the province's existing highway and bridge assets are rehabilitated in a timely manner to protect the province's investment in these key assets and ensure they are able to support the provincial economy. Enhancing the transportation system includes building new or upgrading existing provincial highway, bridge, or airport assets to meet the social and economic development opportunities of the future. The road building and heavy construction industry is generally contracted to build new or enhance highways, bridges and airports and resurface paved highways.

Planning and Development of Transportation Policy

Saskatchewan's economy is dependent on trade, which requires a competitive and globally accessible transportation system. Developing transportation policy includes working with other jurisdictions, industry stakeholders and shippers to ensure that legislative and regulatory frameworks encourage efficiency and effectiveness throughout the system and among the transportation modes (road, rail, air and marine). This includes developing new methods and technology to improve the movement of goods by truck. Transportation planning includes working with stakeholders such as Area Transportation Planning Committees (ATPC) in the pursuit of defining system needs and strategically investing transportation resources towards garnering greater economic and social returns for communities throughout the province.

A safe and reliable transportation system directly and indirectly benefits all Saskatchewan residents. The groups with a primary interest in working with the department to improve transportation are:

Road Builders & Heavy Construction Association of Saskatchewan (RBHCA)
The RBHCA represents Saskatchewan's road building and heavy construction industry on a federal, provincial and municipal level. They are a key service provider because their members complete the majority of all road construction activity tendered by the department. The department and RBHCA work together to address issues related to construction standards and practices, contract delivery, construction quality and material specifications.

Saskatchewan Association of Rural Municipalities (SARM)
SARM represents the interests of rural municipal governments in Saskatchewan. The department considers SARM a key stakeholder for transportation issues related to rural Saskatchewan. The municipalities represented by SARM are also responsible for providing road infrastructure and the department works closely with SARM and rural municipalities to address road transportation issues at a local and regional level and grain transportation issues at a provincial and federal level.

Saskatchewan Urban Municipalities Association (SUMA)
SUMA represents the interests of urban municipal governments in Saskatchewan. The department considers SUMA a key stakeholder for provincial transportation issues that impact urban Saskatchewan. Urban municipalities are also responsible for providing transportation infrastructure and the department works with SUMA and urban municipalities to address local and jurisdictional transportation issues.

Area Transportation Planning Committees (ATPC)
These committees provide local input on regional strategic transportation issues. There are 11 committees across the province, which generally include representation from rural and urban municipalities, First Nations, Regional Economic Development Authorities (REDA), SUMA, SARM, the department and other major regional stakeholder groups. They provide input to provincial or municipal governments on transportation issues based on social and economic goals of the area. The department considers them a key stakeholder and works closely with individual ATPCs on local and regional transportation issues and with the ATPC Chairpersons Committee on a variety of broader provincial transportation issues.

Saskatchewan Trucking Association (STA)
The Saskatchewan Trucking Association represents the Saskatchewan trucking industry. The department considers them a key stakeholder since their members are key users of the provincial highway system. The department consults the STA on provincial and inter-provincial vehicle weight and dimension regulations and other trucking policy issues.

Consulting Engineers of Saskatchewan (CES)
CES represents the engineering consulting industry in Saskatchewan. The department considers them a key stakeholder, since their members provide over $5.0 million of technical transportation engineering consulting services, like infrastructure planning, environmental assessments, road design, construction management and testing services, on an annual basis.

Canadian Automobile Association (CAA)
CAA represents provincial motorists who are a primary user of the provincial highway system. The department considers them a key stakeholder because they are an organized group that represents a segment of provincial motorists.

Organizational Changes

On September 11, 2003 the department implemented several organizational changes to position the department for the future. These changes will increase flexibility to deal with current and future demands for transportation services. They will also improve accountability, communications and effectiveness in planning and delivering key department activities.

Responsibility for the design and construction of highway and bridge improvement projects was transferred from Engineering Services Branch to the three regional offices. The three regional offices are now responsible for all aspects (planning, design, construction, maintenance and operations) of provincial highways and bridges. This change will improve efficiency, quality and accountability for the design and construction of major capital projects. It will also provide the public with one regional contact for all issues related to highways, bridges, ferries and airports.

Engineering Services Branch was renamed Engineering Standards Branch and assigned responsibility for maintaining and developing all technical engineering standards and policies related to roadway design, construction, maintenance and operations. This will increase the department's capacity to keep its operational standards, guidelines and policies current in response to the changes in the transportation environment.

Operational Planning and Business Support Branch was renamed Corporate Support Branch and assigned responsibility for coordinating strategic planning and legislative/regulatory processes from Policy and Programs Division. This will allow strategic planning and legislative/ regulatory review to be incorporated in the department's business development cycle. Corporate Support Branch also assumed responsibility for Geographic Information Services (GIS) from Corporate Information Services. This consolidated all infrastructure information management in one branch to ensure processes and tools are in place, which will allow the department make better use of its enterprise data.

The provincial highway traffic data analysis and municipal planning functions were transferred to the Sustainable Infrastructure Unit in Policy and Programs Division. This change will provide a closer link between municipal and provincial transportation policy development.

2003-04 Fiscal Year Results

Results at a Glance

In 2003-04, the department continued the strategic direction outlined in 2001. We continued to improve the sustainability of Saskatchewan's transportation system, further enabling the safe movement of people and goods as it supports social and economic development. We continued to develop active and successful partnerships with our stakeholders to create and implement strategies to achieve the goals of our strategic plan. Safety and innovation remained key priorities for the department. Targeted infrastructure investments and policy responses are ensuring that the transportation system provides a solid foundation for economic and social growth.

Over the last three years, significant progress has been made to improve transportation efficiency, safety and sustainability. The province accelerated twinning Highway 1 west, completing this corridor in October 2003, five years ahead of schedule. The speed limit on most rural divided highways was increased to 110 km/hour and access to primary weights was improved by eliminating the 10-month primary weight designation. A second bridge over the North Saskatchewan River and 3.5 km of twinning west of North Battleford was completed. To improve safety, the intersection of Highway 11 and Grasswood Road south of Saskatoon was relocated. To support infrastructure sustainability, over 1 000 km of pavements were resurfaced and over 775 km of thin membrane surface (TMS) highways were upgraded to a paved standard, finishing 12 more TMS corridors to a paved standard. Partnerships are in place with 40 municipalities to manage traffic on 22 sections of TMS highways with a length of 532 km.

The department responded to many challenges facing the transportation system in 2003-04. A summary of the most significant performance results by strategic goal is provided in the following sections along with a summary of the financial results.

Summary of Performance Results

In 2003-04, the province invested $293.73 million on the provincial transportation system. This investment allowed the department to improve or restore 775 km of the provincial highway system and continue its focus on providing a sustainable transportation system that facilitates the safe movement of people and goods while supporting economic development and serving the social needs of the province. Highlights of the key performance results are shown below by strategic goal:

Key Accomplishments

Goal 1 - A Sustainable Transportation Infrastructure

- More than $39 million was invested to resurface 356 km of pavements and an additional 11.5 km is in contract to be completed in 2004.
- Over 220 km of thin membrane surface (TMS) highways were converted to a granular pavement standard. This included upgrading 141 km to a pavement standard through the Prairie Grain Roads Program. An additional 41 km of upgrading is in contract to be completed in 2004-05.
- Worked with 58 partners through the Strategic Rural Roads Partnership Program on 34 initiatives to manage traffic on or upgrade 571 km of provincial highways.
- In partnership with Pavement Scientific International (PSI), used an innovative and advanced road strengthening technology to reconstruct 102 km of the TMS highways mentioned above to a paved standard.
- The percentage of overweight commercial vehicles decreased by 1.9 basis points from the 2002-03 result.
- The amount of funding from non–provincial sources increased by $8.74 million and the department's ratio of operations to overhead improved by 0.30 basis points over the 2002-03 results.

Goal 2 - The Transportation System Strengthens Economic Development and Serves Social Needs

- In partnership with the federal government, the province invested $30.3 million to twin Highway 1 and Highway 16. The final 38 km of twinning on Highway 1 west was opened to traffic on October 27, 2003 completing the twinned highway between Regina and Calgary, five years ahead of the original schedule. An additional 37 km of grading was completed on Highway 1 east and Highway 16 in preparation for paving in 2004-05.
- To support north-south trade, the department graded 13 km of Highway 6 north of the US border and surfaced 2 km of Highway 6 from the junction of Highway 18 to Minton. This 13 km will be surfaced in 2004 completing a multi-year initiative to upgrade Highway 6 between Regina and the US border to a pavement standard.
- By removing the 10-month primary weight restriction, the amount of principal highway network available at primary weights increased by 2.9 basis points to 95.9 per cent.
- To support tourism, the department completed 58 signing initiatives under the Centenary Enhanced Tourism Signing program, added six rest stops on the principal highway system, installed five new border crossing signs, improved signing to two tourist attractions and improved park roads at Rowans Ravine Provincial Park and Cypress Hills Inter-Provincial Park.
- To build capacity of northern residents in delivering transportation services, the department hired northern contractors/communities to provide $4.28 million of transportation services.
- The department invested $28.3 million to preserve, operate and improve highways, bridges and airports in northern Saskatchewan.

Goal 3 - Safe Movement of People and Goods

- Completed 36 infrastructure safety improvement projects, eight of which were completed through the Transportation Partnership Fund.
- The percentage of commercial vehicles that were inspected for safety and placed out of service decreased by 7.0 basis points.

Summary of Financial Results

Total 2003-04 expenditures were $293.732 million, which is $2.460 million below the approved $296.192 million budget level. The reduced expenditures are primarily related to government's discretionary expenditure management initiative.

The department generated $29.258 million in revenue, which is $1.174 million below the 2003-04 budget estimate of $30.432 million. The variance is primarily related to lower than expected revenue from federal cost shared infrastructure programs.

The department is responsible for managing and operating the Highways Revolving Fund and the Transportation Partnerships Fund (TPF). The department's budget included a $2.0 million net financing requirement to facilitate replacement of aging equipment above the revenue generated from depreciation and net sales of existing equipment. The actual net financing requirement was $2.27 million. Although the Revolving Fund budgets to break even (revenue equals expenditure) it can operate within a $1.0 million accumulated operating surplus or deficit from the break even position. At the end of 2003-04, the Revolving Fund had a $419,000 operating surplus.

The department's Transportation Partnership Program (TPP) generated $1.3 million in revenue for the TPF. The TPF invested $2.1 million on transportation system improvements in 2003-04 and the TPF balance was $1.3 million on March 31, 2004.

The year end financial statements for the Highways Revolving Fund and Transportation Partnerships Fund are available at *http://www.highways.gov.sk.ca*.

Progress on Multi-Year Commitments

Over the last several years, the province has made several commitments to transportation. The following commitments provide the financial framework and help focus the department's strategic direction.

- Invest $2.5 billion over 10 years in transportation infrastructure. [Spring 1997]
  - » At the end of the 2003-04 fiscal year – the seventh year of this commitment – the province has invested $1.852 billion or 74.1 per cent of the $2.5 billion investment target.
- Invest $1 billion on highways and transportation over four years [Fall 1999]
  - » The province invested $1.171 billion on the provincial highway system over the last four years, exceeding the investment commitment by $171 million (17.1%).
- Invest an additional $150 million on highways and transportation over three years [Fall 2000]
  - » The province provided an additional $80.8 million of the incremental investment over the last three years. However, the province was very successful at securing federal investment for the transportation system and was able to come within $2.47 million of meeting the three year $900 million investment commitment made in the 2001-02 budget.
- A three-year, $900 million investment to improve transportation infrastructure [March 2001]
  - » Total provincial highway system investment over the last years was $897.53 million, which is only $2.47 million (0.27%) less than the $900 million target. The discretionary expenditure management initiative in 2003-04, was a major reason for the $2.47 million variance.
- Upgrade 800 km of TMS to pavements (March 2001)
  - » The department improved 777 km of TMS highways to a paved standard over the last three years and an additional 41 km of TMS upgrading is in contract to be completed in 2004-05.
- Twinning National Highways:
  - Highway 1 west will be twinned in 2003 – one year ahead of the province's accelerated schedule and five years ahead of the original schedule;

- Highway 1 east will be twinned in 2007 – five years ahead of the original schedule; and
- Highway 16 between North Battleford and Lloydminster will be twinned in 2007 – three years ahead of the original schedule.

» The final 38 km of twinning on Highway 1 west was opened to traffic on October 27, 2003, completing the twinned highway between Regina and Calgary.

» An additional 37 km of grading was completed on Highway 1 east and Highway 16 west to accelerate the twinning on these corridors.

The following multi-year commitments were included in the 2003-04 budget summary:

- In 2003-04, to meet the demands of a growing economy, over 750 km of provincial highways will be improved including:
  - Reconstruct 11 km of Highway 55, 15 km of Highway 26 and surface 34 km of Highway 155 to accommodate increased haul in the forestry industry;
  - Repair 70 bridges and replace over 25 bridges or structures on the provincial highway system;
  - Resurface approximately 275 km of the principal highway system and 110 km of the regional network; and
  - Meet our March 2001 commitment to upgrade 800 km of TMS roads over three years by upgrading 245 km of Thin Membrane Surface (TMS) highways to a paved standard.

  » In 2003-04, the department improved, built or restored 755 km of provincial highways and an additional 63 km is in contract to be completed in 2004-05. The completed work includes:
    - Reconstructing 11 km of Highway 55, 15 km of Highway 26 and surfacing 19.2 km of Highway 155 to accommodate increased haul in the forestry industry. The remaining 15.2 km on Highway 155 is in contract and will be completed in 2004-05.
    - Repairing 98 bridges, strengthening 19 bridges and replacing 17 bridges on the provincial highway system.
    - Resurfacing 255 km of the principal highway system and 101 km of the regional highway system. An additional 11.5 km of resurfacing is in contract and will be completed in 2004-05.
    - Upgrading 222 km of TMS highways to a paved standard making the three year total 777 km. An additional 41 km of TMS upgrading is in contract and will be completed in 2004-05.

- Invest approximately $90 million over the next three years to upgrade 450 km of rural highways to a paved standard through the Prairie Grain Roads Program (PGRP). In 2003-04, the department will upgrade 150 km to a paved standard. Over the next three years, upgrades will occur on strategic rural corridors to support movement of commodities in the agriculture oil and gas industries:
  - In southeast Saskatchewan, these include sections of Highway 8 and 48;
  - In southwest Saskatchewan, these include sections of Highway 13 and 37;
  - In northwest Saskatchewan, these include sections of Highways 3 and 26; and
  - In west central Saskatchewan these include sections of Highway 21, 31, 40 and 45.

  » The department upgraded 141 km of TMS highways to a paved standard in 2003-04 and an additional 26 km of upgrading on Highway 3, Highway 40 and Highway 31 is underway to be completed in 2004-05. Total PGRP investment was $28.7 million.

  » In 2003-04, TMS highways were upgraded to pavements on all corridors listed except Highway 26, which was not scheduled for 2003-04 and Highway 40, which was tendered late in the construction season.

- Over the next three years, continue rebuilding sections of northern highways to support increased haul in the forestry industry. These include sections of Highway 155 south of Beauval and Highway 55 northwest of Meadow Lake. In 2003-04, the department will rebuild 11 km of Highway 55 and surface 34 km of Highway 155.

  » In 2003-04, the department:

  - Graded and paved 11 km of Highway 55 from south of the Beaver River Bridge to 11 km east of the junction of Highway 26;
  - Strengthened and paved 15 km of Highway 26 from 29 km north of St. Walburg to the junction of Highway 304; and
  - Completed surfacing 19.2 km of Highway 155 in two contracts. The remaining 15.2 km section of Highway 155 from 5 km south of the Beaver River to the Waterhen River is in contract and will be finished in 2004-05.

- Invest about $63 million over the next three years to preserve the 7 000 km TMS highway network. In 2003-04, approximately $23.0 million will be invested on TMS preservation.

  » In 2003-04, the department invested $22.9 million to preserve 6 960 km of TMS highways.

- Invest approximately $220 million over the next three years to preserve the 13 400 km paved highway network and rehabilitate more than 1 100 km of paved highways. In 2003-04, approximately $78 million will be invested and 385 km will be resurfaced.

  » In 2003-04, the department invested $74.0 million to complete 356 km of pavement resurfacing and preserve 13 460 km of paved highways.

2003-04 Performance Results

The following section provides detailed information on the progress made towards meeting the department's longer-term objectives. The key actions originally presented in the 2003-04 plan are listed, followed by a report on actual progress for each key action. Actual results information is included for all key actions and performance measures that were published in the 2003-04 Performance Plan. More information about the department's performance measures is included in the 2003-04 Performance Plan, which is available at *http: www.highways.gov.sk.ca/docs/reports_manuals/reports/2002_03AnnualReport.pdf*

Goal 1 - A Sustainable Transportation Infrastructure

Objective 1 - Preserved principal highway network to meet the future economic needs of the province

Fundamental to a sustainable transportation infrastructure is the recognition of a changing Saskatchewan economy and landscape. Increasing north-south trade, developing trade corridors, economic diversification and increased truck haul are affecting the way the principal system is being used today and will be used in the future.

Ensuring that we can adequately preserve and improve the principal highway network to handle anticipated traffic levels will allow the provincial transportation system to meet future economic needs.

The department is making progress towards this objective. Over the last two years, the principal highway system has been defined, over 500 km of the principal highway system were resurfaced and the department has focused on improving construction quality.

Key Results

- Contract for the completion of resurfacing on 275 km of the principal highway system. [2003-04 planned result]

  » The department resurfaced 255 km of the principal highway system at a cost of $29.5 million and an additional 11.5 km of resurfacing on Highway 15 is in contract to be completed in 2004-05.

» The target was not met because 20.2 km of resurfacing was deferred to offset changes in the proposed Strategic Highway Infrastructure Program delivery schedule. In addition, a significant cost estimate increase delayed the 5.8 km resurfacing and widening project on Highway 5 east of Saskatoon pending a value engineering assessment for the appropriate design standard.

» Twenty three projects were completed, one project is in contract, three projects were deferred to 2004-05 and one project is being evaluated.

- Repair 15 bridges and replace/strengthen 2 bridges or drainage structures. [2003-04 planned result]

  » The department repaired 41 structures, strengthened one bridge and replaced two bridges.

  » A program for bridge washing/cleaning was continued at 12 sites to improve drainage around structures and minimize the corrosive effects of road salt.

- Complete the definition of the principal highway network. [2003-04 planned result]

  » The final report defining the principal highway network was completed and the department plans to incorporate the new definition in the 2005-06 business planning cycle.

- Continue to develop and implement improved quality assurance processes and standards for construction to improve the final quality of highway construction projects. [2003-04 planned result]

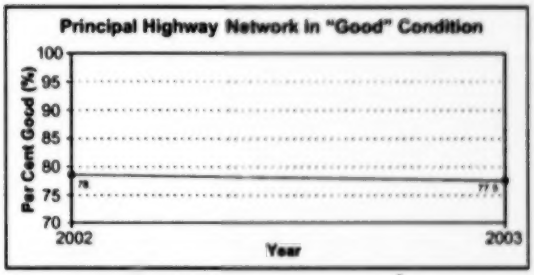
  » A new asphalt concrete specification was approved and implemented on construction projects.

  » A new seal coat specification was used during the 2003-04 construction season and the department is assessing the results. The Road Builders and Heavy Construction Association of Saskatchewan (RBHCA) have requested another season of assessment before the specification is approved.

  » The department developed new specifications for site occupancy/completion date and dispute resolution. These specifications were incorporated in a pilot paving project and additional pilot projects will be tendered in 2004-05.

Measurement Results

Per cent of principal highway network in "good" condition



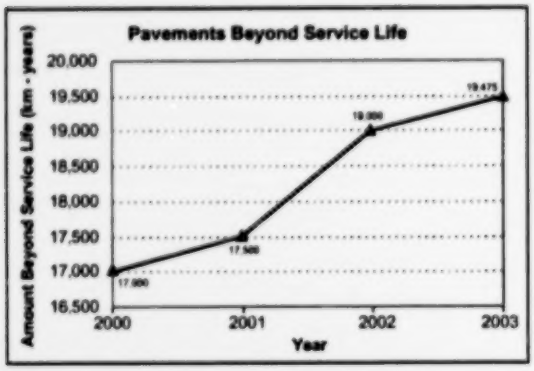
Source: Department of Highways & Transportation - Asset Management System and Highway Inventory System

The department uses a combined measurement of the road's rutting and ride to determine if a pavement is in "good" condition. To measure ride quality, a device is used that generates a measurement of smoothness based on an international standard called the International Roughness Index (IRI). To evaluate rutting a device that continually measures rut depth is used. The measurements are analyzed using the processes defined in the department's Asset Management System. A road must have good rutting and good/fair ride to be in "good" condition. The road user would experience a smooth and comfortable ride with minimal ponded water in the wheel paths.

In 2002-03, the department changed its data collection process from a manual sampling technique for pavement rut depth to an automated data collection system that allows continuous sampling for pavement rut depth data. The new data collection system allows the department to acquire more accurate and repeatable data sets for the paved system. The data is collected during the summer or fall of each year.

In 2003-04, 77.5 per cent of the principal highway network was in good condition. This is a 1.1 basis point reduction from the 2002-03 result. In 2003-04 department crews worked more than 58 750 hours to seal 1 933 500 m^2 of principal pavements and repair failures to more than 396 150 m^2 of principal pavements. With only two years of data, it is difficult to determine if the reduction is part of a long-term trend or caused by inherent variability in the condition data.

Amount of principal pavements beyond their service life



Source: Department of Highways & Transportation - Asset Management System and Highway Inventory System

Improving the condition of the principal highway network remains a key element of the department's strategic plan and pavement preservation funding has increased over the last few years to achieve this objective. The trend toward increased truck traffic, while necessary to support a growing and export based economy, accelerates the consumption of infrastructure assets and makes it more difficult to improve paved highway conditions. Inflationary pressures – related to increasing costs of asphalt, fuel, labour and equipment – along with the depletion of good gravel deposits, decreases the department's purchasing power and reduces the amount of pavement preservation that can be completed in a given year.

Based on their original engineering standards and a regular maintenance program, pavements have a certain useful life expectancy – their service life.

Decreasing the amount of principal pavements beyond their service life demonstrates progress in reducing the risk of pavement failure on the principal highway system.

The length of each road segment that is beyond its service life is measured in kilometres and then multiplied by the number of years that it is beyond its service life, to provide a measurement in km-years. This measure provides an overall picture of the extent to which the service life is being exceeded on the principal system. It is important to note that the decision to resurface a highway is driven by surface condition not pavement age. In an ideal world there would be no pavements beyond their service life. However, prudent infrastructure management means that there will always be some pavements beyond their service life if material characteristics, environmental conditions and traffic patterns allow a pavement to perform better than expected.

The 2003-04 actual result is 19 475 km-years, which is 475 km-years higher than the 2002-03 result.

The performance measure trend indicates that pavements on the principal system are aging faster than they are being rehabilitated. However, two aspects are critical for the effective life cycle management of the paved highway system; preventative maintenance and timely rehabilitation. Pavements are designed to last for 15 years before significant rehabilitation is required, but effective preventative maintenance procedures can extend pavement service life to 20 or 25 years.

Effective pavement life cycle management strives to have pavements rehabilitated once every 20 to 25 years. However, pavements are subject to highly variable environmental conditions and changing traffic patterns. It is common for some pavements with relatively little truck traffic last longer than 25 years and other pavements with significant truck traffic to last less than 25 years.

The extent and severity of surface distresses like rutting, roughness and surface failures, not pavement age, dictate the timing of major pavement rehabilitation. An old pavement that is

relatively smooth with little rutting and few surface failures would not be rehabilitated ahead of a newer pavement that has deep rutting, is very rough and has a large number of surface failures.

Objective 2 - Transformed regional transportation network to meet the future needs of rural Saskatchewan

The regional transportation network provides local access and collects traffic for the principal network. Changing traffic patterns caused by such trends as rural depopulation, grain elevator closures, branch line abandonment and increased truck haul are affecting the way the regional transportation system is being used today and will be used in the future.

To be sustainable in the long-term, the regional network needs to be transformed to reflect a balance between road standards in the network, maintaining the roads in good condition and available funding levels.

The department has made significant progress toward achieving this objective. Over the last three years 777 km of TMS highways have been converted to a paved standard. The department has developed 22 agreements with 40 partners to restrict weights on 532 km of TMS highways and significantly improved the percentage of TMS and gravel highways in good condition.

Key Results

- Contract for the completion of resurfacing on 110 km of the regional paved network. [2003-04 planned result]

  » The department resurfaced 101 km of the regional paved highway network at a cost of $9.6 million. All eleven regional pavement resurfacing projects included on the 2003-04 Public Project List were completed.

- Address safety and regulation of provincial rail lines by implementing regulations and operating guidelines for *The Railway Act*. [2003-04 planned result]

  » The Final Offer Arbitration (Railway) Regulation was implemented.

  » The department prepared policy, procedures, guidelines and standards for the Provincial Railway Manual. This provides provincial railway stakeholders with information on guides, standards, and references associated with *The Railway Act*. The regulations, guides and standards were distributed to appropriate stakeholders and are available on the department's web site at *http://www.highways.gov.sk.ca/docs/rail_air/shortlines/regulations.asp*.

- Repair 55 bridges and replace/strengthen 25 bridges or drainage structures. [2003-04 planned result]

  » The department repaired 57 structures, strengthened 18 bridges and replaced 15 bridges.

  » A program for bridge washing/cleaning was continued at six sites to improve drainage around structures and minimize the corrosive effects of road salt.

- Define the regional transportation system. [2003-04 planned result]

  » The regional transportation system was automatically defined by developing a definition for the principal highway network. The final report defining the principal highway network was completed and the department plans to incorporate the new definition in the 2005-06 business planning cycle.

- Through PGRP and other department initiatives, upgrade 245 km of TMS to a paved standard. [2003-04 planned result]

  » The department improved 222 km of TMS highways to a paved standard in 2003-04. An additional 41 km of TMS upgrading on Highway 155, Highway 3, Highway 40 and Highway 31 was contracted and will be completed in 2004-05.

- Reconstruct 100 km of the 245 km of TMS highways being upgraded using emerging road strengthening technology for improving road life and minimizing construction costs. [2003-04 planned result]

» Through the research and development partnership with Pavement Scientific International, the department used this new road strengthening technology to reconstruct 102 km of the TMS highways noted above. An additional 15 km on Highway 155 is in contract and will be completed in 2004-05.

- Ensure the department has adequate and economical aggregate resources on a local, regional and provincial level by acquiring five aggregate sources and two aggregate stockpile sites. [2003-04 planned result]

  » Eight aggregate pit purchase packages were prepared for negotiations. The results include:

  - Acquiring one aggregate pit in the Northern Region.
  - Expropriating one aggregate pit and two sub-base sources for construction on Highway 1 east.
  - Negotiations were unsuccessful for the remaining six aggregate pit purchases.

- Implement a revised bridge inspection program. [2003-04 planned result]

  » The department adopted the Ontario Structure Inspection Manual (OSIM) and inspection protocol in an effort to move towards a national standard for bridge inspections.

  » The department inspected 47 major bridges on the principal network and 47 major bridges on the regional system using the new inspection protocol.

- Deliver 21 initiatives with 42 different partners to manage traffic on over 500 km of low volume highways. [2003-04 planned result]

  » Through the Strategic Rural Roads Partnership Program, the department worked with 58 partners on 34 initiatives to manage traffic on or upgrade 571 km of provincial highways. This includes continuing to partner with 40 different municipalities to restrict weights on 22 sections of TMS highways with a length of 532 km.

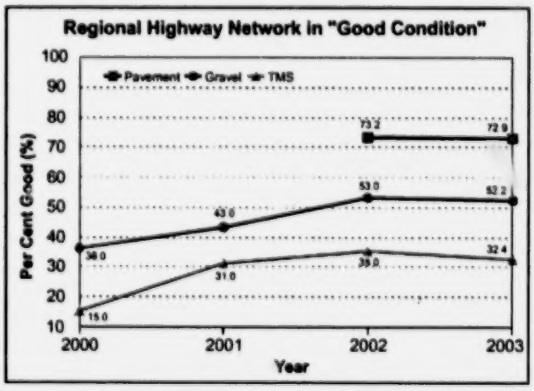
- Implement the rural road classification system. [2003-04 planned result]

  » The rural road classification system has been approved. The department partnered with the Saskatchewan Association of Rural Municipalities (SARM) to develop a new Saskatchewan Rural Road Map, which will reflect the rural road classification system. The department provided the technical resources to develop the map and SARM will produce and market it.

  » The department also worked with SARM to incorporate the new road classification system into the existing municipal route signing procedures.

Measurement Results

Per cent of regional highway network in "good " condition, by surface type: pavement, thin membrane surface (TMS) and gravel



Source: Department of Highways & Transportation - Asset Management System and Highway Inventory System

Pavement

The department uses a combined measurement of the road's rutting and ride to determine if a pavement is in "good" condition. To measure ride quality, a device is used that generates a measurement of smoothness based on an international standard called the International Roughness Index (IRI). To evaluate rutting a device that continually measures rut depth is used. The measurements are analyzed using the processes defined in the department's Asset

Management System. A road must have good rutting and good/fair ride to be in "good" condition. The road user would experience a smooth and comfortable ride with minimal ponded water in the wheel paths.

In 2002-03, the department changed its data collection process from a manual sampling technique for pavement rut depth to an automated data collection system that allows continuous sampling for pavement rut depth data. The new data collection system allows the department to acquire more accurate and repeatable data sets for the paved system. The data is collected during the summer or fall of each year.

In 2003-04, 72.9 percent of the pavements on the regional highway system were in good condition. This is a 0.3 basis point reduction from the 2002-03 result. In 2003-04 department crews worked more than 78 650 hours to seal 2 519 945 m^2 of regional pavements and repair failures to more than 583 755 m^2 of regional pavements. With only two years of data, it is difficult to determine if this small reduction is part of a long-term trend or caused by inherent variability in the condition data.

Sustaining the regional paved highway network is also a key element of the department's strategic plan and pavement preservation funding has increased over the last few years to achieve this objective. The trend toward increased truck traffic, while necessary to support a growing and export based economy, accelerates the consumption of infrastructure assets and makes it more difficult to improve paved highway conditions. Inflationary pressures – related to increasing costs of asphalt, fuel, labour and equipment – along with the depletion of good gravel deposits, decreases the department's purchasing power and reduces the amount of pavement preservation that can be completed in a given year.

TMS

To determine if a TMS is in "good" condition, the department uses a measure of the road's ride. To measure ride quality, a device is used that generates a measurement of smoothness based on an international standard called the International Roughness Index (IRI). The data is collected during the summer or fall of each year.

In 2003-04, 32.4 per cent of the TMS highways on the regional system were in good condition. This is a 2.6 basis point reduction from the 2002-03 result. TMS highways are very susceptible to environmental conditions and changing traffic patterns, so the results can vary significantly from year to year. However, the results are still 17.4 basis points higher than the 2000-01 results. Between April 1st and June 20th department crews worked more than 52 735 hours, sprayed 3 512 000 litres of asphalt, placed 12 535 t of cold mix and completed 2 292 100 m^2 of seal coat patching to repair spring TMS road damage.

Inflationary pressures related to increasing costs of asphalt, fuel, labour and equipment decreases the department's purchasing power and reduces the amount of TMS surface preservation that can be completed in a given year.

Gravel

To determine if a gravel road is in "good" condition the department uses its Asset Management System condition ratings for stability (strength of road bed) and protruding rock (amount of large rocks protruding from the roadbed). In order to be a "good" gravel road it must have a "good" rating in both of these field measurements. The road user would drive on a hard gravel road surface with few rocks protruding from the roadbed.

In 2003-04, 52.2 per cent of the gravel highways on the regional system were in good condition. This is a 0.8 basis point reduction from the 2002-03 result. Gravel highways are very susceptible to environmental conditions and changing traffic patterns, so the results will vary significantly from year to year. However, the results are still 16.2 basis points higher than the 2000-01 results.

Inflationary pressures related to increasing costs of fuel, labour and equipment decreases the department's purchasing power and reduces the amount of gravel surface preservation that can be completed in a given year.

Objective 3 - Reduced damage on the highway system caused by over weight vehicles

The combination of grain elevator closures, rail line abandonment and increased trade with the United States continues to increase truck volumes on Saskatchewan roads. The trend towards more cost-effective truck configurations leads to larger vehicle dimensions and increased truck weights. While this increases transportation efficiency, it also accelerates road consumption.

Changes in Saskatchewan's commercial trucking profile have long-term implications for the principal highway system. These major routes are designed to accommodate significant volumes of heavily loaded trucks. However, they are deteriorating faster due to the increased tonnage. On the regional highway network, increased truck traffic has had a devastating affect. Many regional roads are TMS construction, and were not designed to accommodate high volumes of heavily loaded trucks.

Decreasing the number of over weight vehicles will reduce road damage and help the department sustain the road network. One of the primary strategies for reducing the number of over weight vehicles is to increase compliance with provincial vehicle weight and dimension regulations through enhanced weight enforcement activities.

The department has made progress towards meeting this objective. The number of Transport Compliance Officers increased from 35 in 1997 to 48 in 2003 and the per cent of over weight vehicles was reduced by 1.9 basis points over the last year. Shipper liability legislation has been enacted and an audit process is being implemented to increase weight compliance. Over the last year 14 investigations were completed resulting in charges being laid and two new vehicle inspection stations were completed.

Key Results

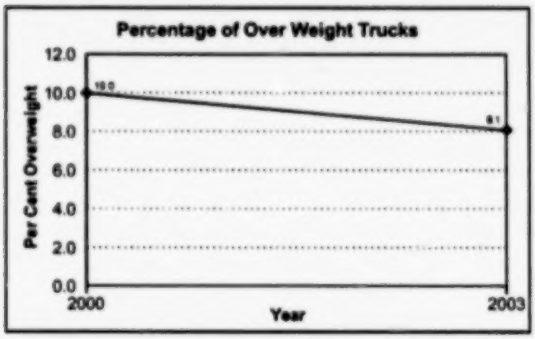
- Hire one new compliance officer and one new investigator to implement shipper/carrier weight management legislation. [2003-04 planned result]
  - » The Transport Compliance Branch hired a new investigator in June 2003 and a new traffic officer in Meadow Lake in January 2004.
- Prepare a communications strategy to enhance compliance activities with the shipping and carrier community. [2003-04 planned result]
  - » The Shipper Liability Investigator completed the communication strategy, which includes a large educational component and started implementing the strategy by meeting with 160 delegations including Area Transportation Planning Committees (ATPCs), carrier associations and shipping companies.
- Use on road performance to target carrier audits for weight violations. [2003-04 planned result]
  - » The on-road carrier performance analysis was completed in October/November 2003 and weight enforcement investigations were completed under the Transport Compliance Branch's winter audit program. The winter audit program increases the investigation effort to nine investigators by utilizing Transport Compliance Patrol Officers to complete investigations during the winter months.
  - » Transport Compliance Branch concluded 11 investigations, which resulted in significant charges being laid.
- Monitor consignor and/or consignor agents accused of forcing carriers to operate over weight. [2003-04 planned result]
  - » This is an ongoing program that monitors the names of shippers on over weight charges laid against carriers.
  - » In 2003-04 Transport Compliance Branch focused on educating and communicating the shipper liability legislation. Three investigations were concluded, which resulted in significant charges being laid.
- Develop a strategy for strategically locating vehicle inspection stations (VIS) for effective weight and safety enforcement. [2003-04 planned result]

» The department completed the VIS Location Strategy.

» In 2003-04 the department completed the site work for the vehicle inspection station on Highway 11 north of Regina. Through the Transportation Partnership Fund, a self-compliance facility was constructed on Highway 55. The site work will be completed in 2004-05.

Measurement Results

Per cent of over weight trucks on the highway system



Source: Department of Highways & Transportation, Transport compliance Branch

Truck traffic continues to increase on the highway system. A certain percentage of these trucks will be over weight and cause more damage to the highway system. This performance measure monitors the effectiveness of the department's policies and enforcement actions in reducing the number of over weight vehicles on the principal highway system.

A random sampling process has been developed to monitor the per cent of over weight vehicles on the principal highway system. The performance measure is calculated by dividing the number of over weight vehicles identified at random inspections by the number of total vehicles inspected during the same random inspections. While this does not provide a statistically valid representation for the entire province, it will allow progress to be monitored in a cost effective manner.

In 2003-04, 8.1 per cent of the trucks on the provincial highway system were over weight. This is a 1.9 basis point reduction over the 2002-03 results and suggests that the department's compliance initiatives are reducing the amount of over weight vehicles. However, with only two years of data, it is difficult to determine if the reduction is part of a long-term trend or caused by inherent variability in the random sampling process.

The department has a high level of influence over this performance measure. Increasing transport compliance resources combined with shipper liability legislation allows the department to increase its weight compliance activities. An increased weight compliance presence on the provincial highway system should decrease the amount of over weight vehicles because there is a higher chance over weight carriers will be caught.

Objective 4 - Increased funding from additional sources

To achieve long-term sustainability, additional funding is required to close the gap between transportation system needs and available resources. Saskatchewan recognizes the importance of a National Highway System that provides for efficient inter-provincial and international movement of commodities and supports Canada's economic growth, social development and national unity.

While road transportation has been a provincial responsibility, the province feels that the federal government has an obligation to participate in the costs of preserving and upgrading the National Highway System. Increasing the funding levels from the federal government and industry partners will help achieve long-term transportation system sustainability.

The department has made significant progress at meeting this objective. Since 2000, four transportation infrastructure agreements have been negotiated with the federal government resulting in a $160 million federal investment on the provincial highway system between 2001-02 and 2007-08. The Transportation Partnership Program has been used to generate revenue for transportation infrastructure improvements and the department has managed its administrative costs to maximize "on road" investment.

Key Results

- Complete $2.85 million of road improvements through Industry Partnership Agreements. [2003-04 planned result]

  » The department spent $2.4 million on road improvements through Industry Partnership Agreements. The contractor was not able to complete the surfacing project on Highway 155, but it will be completed in 2004-05. Key projects include:

  - Completing 17.4 km of surface stabilization and spot improvements on Highway 102 in the Brabant Lake area under the Highway 102/905 Partnership Agreement.
  - Surfacing 6.2 km of Highway 155, south of Beaver River under the Key Lake and Mistik Management Haul Partnership Agreements. The remaining 15.2 km will be completed in 2004-05.
  - Grading and paving 15 km of Highway 26 south of Loon Lake under the Key Lake Partnership Agreement.

- Through the Transportation Partnership Fund (TPF) invest $2.6 million in transportation initiatives. [2003-04 planned result]

  » The TPF invested $2.1 million and completed eight safety improvement projects, eight highway improvement projects, one road research project and one traffic safety initiative.

  » The TPF did not invest on the Highway 1 and Highway 16 twinning projects as originally planned, due to lower than anticipated revenues. The safety improvement project at the junction of Highway 46 and the Pilot Butte access road was delayed during the design engineering phase and two projects on Highway 9 north of Hudson Bay were deferred due to wet conditions and will be completed in 2004-05.

- Work with other agencies to develop partnership initiatives for transportation infrastructure funding.

  » The department worked with the City of Regina to access funding under the Canada Saskatchewan Infrastructure Program (CSIP) for traffic operation improvements on Highway 1, Victoria Avenue, in Regina. This project is being completed in 2004-05 with CSIP funding participation.

- Implement the Canada Strategic Infrastructure Funding (CSIF) program. [2003-04 planned result]

  » The department started construction projects to accelerate the twinning on Highway 1 east and Highway 16 under the federal-provincial CSIF program.

  » The federal-provincial CSIF financial contribution agreement was developed and CSIF provided $5.865 million to cost share with the province on completing 37 km of grading on Highway 1 east and Highway 16 as well as hauling aggregate for surfacing in future years.

- Continue implementation of the DHT partnership agreement with Pavement Scientific International (PSI). [2003-04 planned result]

  » The department continued its partnership agreement with PSI by using their road strengthening technology to reconstruct 102 km of TMS highways. Since April 2002, when the agreement was signed, the department has used PSI technology to reconstruct 156 km of TMS highways and expects to meet the five year 350 km target.

- Continue development of "mechanistic pavement design" principles for Saskatchewan. [2003-04 planned result]

  » PSI is developing a mechanistic pavement design proposal and an implementation plan will be developed once the proposal has been reviewed and accepted.

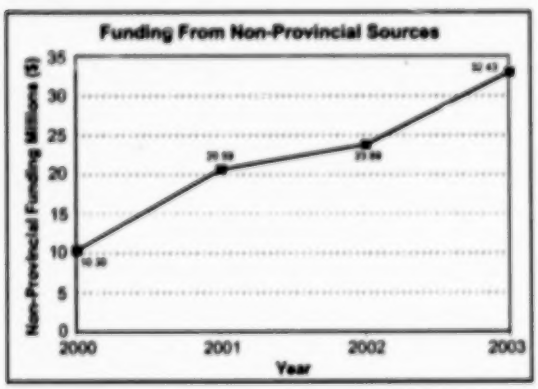
- Develop a proposal to access funding from the federal government's Border Infrastructure Fund (BIF). [2003-04 planned result]

  » The department submitted a BIF program proposal to the federal government. A resurfacing project on Highway 39 was approved as an eligible BIF project and aggregate was hauled during the winter to facilitate construction in 2004-05.

  » The department started negotiating the terms of a contribution agreement with the federal government.

Measurement Results

Additional funding from non-provincial government sources



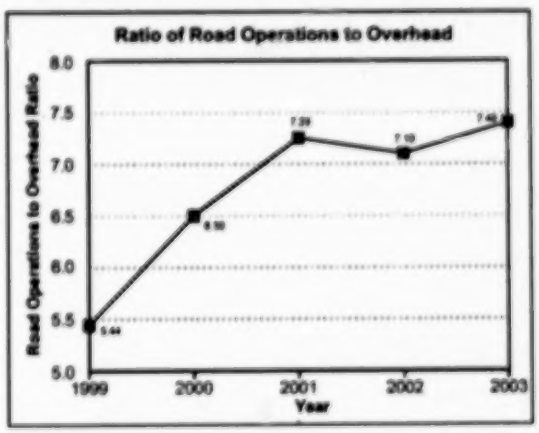
Source: Department of Highways & Transportation, Corporate Support Branch - Revenue Forcast and Fiscal Forcast

The amount of funding obtained from non-provincial sources is an indicator of the department's success in pursuing additional funding for transportation infrastructure investment. The performance measure is calculated by summing the revenue obtained for infrastructure investment from industry partnerships, the Transportation Partnership Fund and the federal government.

In 2003-04, $32.43 million of transportation infrastructure investment was obtained from sources other than the provincial government. This is a $8.74 million increase over the 2002-03 results. The increase is a result of the federal-provincial agreement to accelerate twinning on Highway 1 and Highway 16, which generated additional federal transportation investment from the Strategic Highway Infrastructure Program (SHIP) and the Canada Strategic Infrastructure Fund (CSIF). Additional federal revenue was provided through the new Border Infrastructure Fund (BIF) program as well as through industry partnership agreements and the Transportation Partnership Fund.

The department can influence the level of non-provincial funding by actively pursuing federal infrastructure funding programs as well as developing and managing initiatives like the Transportation Partnership Fund.

Ratio of road operations to overhead



Source: Department of Highways & Transportation, Corporate Support Branch - Fiscal Forcast

This performance measure is an indicator of the department's success at creating internal administrative efficiencies. Better internal efficiency ensures that the highest possible percentage of funding, including any increased

funding from additional sources, goes directly to construction and preservation of the transportation system. Between 2001 and 2004 cumulative savings from managing the department's administrative pressures exceeds $21.0 million. Managing administrative costs has allowed the department to maximize "on road" expenditures.

In 2003-04, the ratio of road operations to overhead was 7.40:1. This is a 0.3 basis point increase over the 2002-03 result. The increase is primarily related to lower administrative expenditures due to the provincial election and implementing government's discretionary expenditure management initiative. The multi-year trend demonstrates that the department is effectively managing its administrative expenditures.

The department has influence over this performance measure because it is responsible to manage its administration and overhead costs relative to the entire budget.

Goal 2 - The Transportation System Strengthens Economic Development and Serves Social Needs

Objective 1 - Reduced cost of moving goods and people by road, rail and air

Efficient transportation systems are needed to provide competitive transportation options for Saskatchewan producers and shippers and to provide adequate mobility for travelers. Providing an efficient transportation system will contribute to reducing the cost of moving goods and people.

The department continues to make progress on this objective by evaluating and responding to federal legislative changes, monitoring the grain transportation system, working with other jurisdictions on vehicle weight and dimension regulations and increasing the availability of primary weights on the principal highway system.

Key Results

- Complete a comprehensive review of trucking programs and policy. [2003-04 planned result]
  - » As part of the weight and dimension regulation review, a consultant's review of the Transportation Partnership Program (TPP) was completed and the department is revising its trucking policies.
  - » The department is also reviewing its permit policies for over weight and over dimensional loads.
- Develop a policy framework for extending primary weights to improve transportation logistics and facilitate partnership agreements on truck route management. [2003-04 planned result]
  - » Consultations on weight regulations have been completed and the department is developing the policy framework. The policy framework will be completed by the end of 2004-05.
- Participate on a national vehicle weights and dimensions task force. [2003-04 planned result]
  - » Saskatchewan continues to participate at national level to present its policies and programs, as well as learn about technologies, national issues and industry requests for new vehicle configurations. The focus is on vehicle safety, national/regional harmonization and enhanced trade as set out in the Memorandum of Understanding signed with the other provinces and territories.
- Develop a jurisdictional transportation policy framework for urban centres. [2003-04 planned result]
  - » The department is monitoring federal policy developments in this area as urban issues have become a high priority for the federal government. The federal House of Commons Standing Committee on Transportation (SCOT) has not developed an agenda on urban transportation policy.

» The department has started developing a provincial urban transportation policy framework and preliminary discussions have taken place with other jurisdictions.

- Develop Saskatchewan position on Small Airport Viability Study. [2003-04 planned result]

  » Saskatchewan participated along with other provinces in a consultation process as part of Transport Canada's Review of Regional and Small Airports. A draft report was released on March 28, 2004. The department will provide Transport Canada with additional comments on the report to ensure that this study serves as a basis to make progress in addressing small airport viability issues.

- Develop a policy framework to customize the Trucking Partnership Program (TPP) to individual industry sectors (mining, forestry, oil and gas, etc.). [2003-04 planned result]

  » The department revised its TPP policies for certain agricultural products. Participants in the TPP that haul these specific agricultural commodities will only cost share haul savings on the portion of their trip that is designated as secondary weights. This policy was changed in response to a specific recommendation from the Action Committee on the Rural Economy (ACRE).

- Continue to monitor grain handling and bulk commodity value chain and communicate results to shippers regarding effectiveness of cost and service improvements implemented under the Grain Monitor Project. [2003-04 planned result]

  » The department provided input to the federal decision-making process for:

  - Setting railway freight rates; and
  - Regulatory reviews of competitive access provisions in the *Canada Transportation Act*.

  » The department attended a stakeholder meeting and provided written comments to the Canadian Transportation Agency (CTA) on the key indicators used by the CTA to determine the annual Volume Related Composite Price Index for determining railway revenue caps in setting freight rates.

  » The province is addressing concerns with the federal government monitoring process and meets quarterly with representatives from the company contracted by the federal government to provide independent third-party monitoring of the federal grain handling and transportation system.

  » The department participated in meetings with farm organizations to better understand issues such as grain handling and federal regulations that affect farmers. The department provides guidance in areas that fall within provincial jurisdiction and provides support in areas that are within federal jurisdiction.

  » The department worked to maintain producer choices in the grain handling and transportation system by:

  - Providing provincial input to the legislative review process for reforming the *Canada Transportation Act*;
  - Preparing a submission to the House of Commons Standing Committee on Transport, which proposed amendments to the *Canada Transportation Act* to enhance competition and services in the national transportation system; and
  - Developing a strategy to improve rail service for producers whose producer car orders were not filled by railways in a timely manner.

- Negotiating new trucking agreements to reduce freight transport costs for Saskatchewan companies by $5 million over 3 years. [2003-04 planned result]

  » The department continues negotiating TPP agreements with companies to improve trucking efficiency and support economic development.

  » The department continued negotiating with specific forestry companies to improve transportation efficiency using a new generation logging truck. The new logging truck is being tested.

» Changes to the TPP policies for certain agricultural products will reduce freight transportation costs for some segments of the agricultural sector participating in the TPP program.

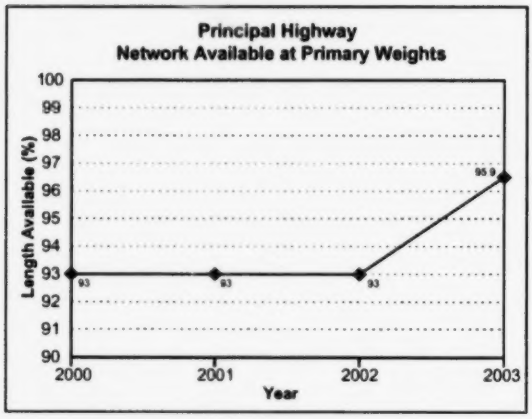
- To ensure that traffic capacity issues are addressed on the provincial highway system complete 50 minor capacity/corridor audits and 20 major capacity/ corridor studies. [2003-04 planned result]

» The department completed 55 minor capacity/corridor studies and another 16 are in progress.

» The department completed 17 major capacity/corridor studies and another 12 are in progress.

Measurement Results

Per cent of the principal highway network available at primary weights on an annual basis



Source: Department of Highways and Transportation - Highway Inventory System, Road Bans & Weight and Dimension Regulations

Primary weights are the maximum vehicle weights allowed on principal highways without a permit. The allowable vehicle weight is based on the structural capacity of the highway. Increasing the length and time that the principal highway network is available at primary weights increases the efficiency and productivity of all freight moved on the principal system. This performance measure is determined by:

$$\text{Length Available (\%)} = \frac{\sum \text{Length of Principal Highway Segment} \times \text{Days Available at Primary Weights}}{\text{Length of Principal Highway Network} \times 365} \times 100$$

In 2003-04, 95.9 per cent of the principal highway network was available at primary weights. This is a 2.9 basis point increase over the 2002-03 result. The increase is directly related to implementing a policy change, which eliminated the 10-month primary weight restriction. These highways are now available at primary weights all year round, increasing transportation efficiency for Saskatchewan carriers and shippers.

The department can influence this performance measure by changing policy and regulations that govern the weight regime on the provincial highway system. Extending the primary weight system increases transportation efficiency, but also accelerates infrastructure consumption. A balance is required to ensure that the transportation network provides efficiency and is sustainable in the long term.

Value of economic development generated by the department's trucking programs

This measure gauges the benefit to the provincial economy of trucking partnership agreements, which increase transportation efficiency for carriers and shippers participating in the Transportation Partnership Program (TPP). Increased efficiency reduces trucking costs and makes Saskatchewan companies more competitive in the global marketplace.

The measure quantifies the savings in freight costs for partners in the trucking programs, which reduces their input costs and allows them to be more competitive. The baseline and methodology for this measure were documented in a July 2000 study of the TPP.

The baseline is $60.0 million, which is based on 1999-00 data. Data for 2003-04 is not yet available, so the department will report progress in the 2004-05 Annual Report.

The department influences this performance measure because it develops the provincial weight regime, the policy framework for the TPP

and markets the TPP to potential participants. If the policy framework is compatible with the needs of Saskatchewan shippers and carriers, more trucking partnerships can be developed increasing the amount of savings for our partners.

Objective 2 - Targeted infrastructure investment for economic growth and social utility

Transportation infrastructure investment needs to be strategically targeted to ensure it maximizes the contribution to the Province's overall economic and social well-being. The department continues focusing on developing strategic corridors that will support current and future traffic patterns.

The department is making significant progress on this objective by completing the twinning of Highway 1 between Regina and Calgary, accelerating the twinning on Highway 16 between North Battleford and Lloydminster and Highway 1 east, focusing investment on corridor development and investing in infrastructure to accommodate increased haul in the provincial forestry industry.

Key Results

- Through the federal/provincial SHIP and CSIF cost share programs, accelerate twinning on Highway 1 and Highway 16 west by completing over 55 km of grading and opening 38 km of twinned highway. [2003-04 planned result]
  - » The final 18 km of grading on Highway 1 west was started and completed in 2003-04. This allowed the final 38 km section from west of Tompkins to east of the junction of Highway 21 to be surfaced and opened to traffic October 27, 2003. The twinned highway between Regina and Calgary was completed five years ahead of schedule.
  - » The department also completed 37 km of grading to accelerate twinning on Highway 1 east and Highway 16 under the federal-provincial CSIF program.
- Complete $15.8 million of highway improvements under SHIP and $12 million under CSIF. [2003-04 planned result]
  - » The department completed $16.5 million of highway improvements on Highway 1 west and Highway 16 under SHIP and $13.3 million of highway improvements on Highway 1 east and Highway 16 under CSIF.
- Through the Centenary Fund continue north-south corridor development by grading 12.8 km of Highway 6 north of the US border as part of a multi-year project to rebuild Highway 6 from the US border to 30 km north. This link will be completed in 2004. [2003-04 planned result]
  - » The department graded 13 km of Highway 6 north of the US border and surfaced 2 km of Highway 6 from the junction of Highway 18 to Minton at a cost of $3.1 million. Additional aggregate was processed during the winter to facilitate completing the final surfacing project in 2004-05.
- As part of the federal-provincial Prairie Grain Roads Program (PGRP), upgrade 150 km of TMS roads on strategic grain corridors to a paved standard. [2003-04 planned result]
  - » The department upgraded 141 km of TMS highways to a paved standard through PGRP. An additional 26 km of upgrading on Highway 3, Highway 31 and Highway 40 is in contract and will be completed in 2004-05.
- Deliver 26 km of road improvements under Roads Transportation Agreements with Weyerhaeuser and Norsask/Mistik. [2003-04 planned result]
  - » The department completed 12.5 km of a 20 km improvement project on Highway 969 north of the junction with Highway 2. These construction projects were tendered late in the construction season, so the contractor was not able to complete the work in 2003-04. The remaining 7.5 km will be completed in 2004-05.
  - » Under the Roads Transportation Agreement with Norsask/Mistik, the final 6.5 km of grading was completed on Highway 903 south of the junction with Highway 965 to complete the infrastructure improvements under this agreement.

- Continue partnering with urban municipalities on functional planning and design initiatives to address traffic operation and capacity issues on provincial highways in urban centres [2003-04 planned result]

  » The City of Saskatoon and the department entered into a partnership to undertake a detailed functional planning study for the future perimeter route, located outside existing urban limits, from the intersection of Highway 11 and Grasswood Road around the east and north side of the city to Highway 14.

  » A detailed functional planning study from the intersection of Highway 11 and Grasswood Road to Highway 16 west of Saskatoon was started. The study is scheduled to be completed in 2004-05.

  » The department completed a traffic operations study in the Town of Meadow Lake. The study will be reviewed with the town in early 2004-05.

  » The department partnered with the City of Regina and Saskatchewan Government Insurance (SGI) to complete a detailed operational and benefit/cost analysis at the intersection of Highway 1 and Lewvan Drive. The study was completed in October 2003 and will guide traffic operation improvements at this intersection.

  » The department, City of Regina and federal government developed a partnership agreement to upgrade Highway 1, Victoria Avenue, between Park Street and Fleet Street. The project will be completed in 2004-05.

  » In June 2002 the department and City of Moose Jaw developed a partnership to complete a detailed functional planning study at intersection of Highway 1 and 9th Avenue NW. The report was completed in April 2004 and the department is reviewing the recommendations.

  » The department hired a consultant to undertake a detailed functional planning study of Highway 39 east of Estevan. The report will be completed in 2004-05.

  » The department and City of Weyburn partnered to complete intersection improvements on Highway 39, which will improve access to new commercial developments within the city limits.

  » A consultant was hired to undertake a detailed functional planning study for the proposed Southeast Regina by-pass. The final report will be completed in 2004-05.

- Upgrade 60 km of TMS highways to accommodate increased haul activity from the provincial forestry industry. [2003-04 planned result]

  » To support increased haul in the forestry industry the department upgraded 45.2 km of TMS to a paved standard. This included:

  - Grading and paving 11 km of Highway 55 from south of the Beaver River Bridge to 11 km east of the junction of Highway 26;
  - Strengthening and paving 15 km of Highway 26 from 29 km north of St. Walburg to the junction of Highway 304; and
  - Surfacing 19.2 km of Highway 155 in two contracts. The remaining 15.2 km of Highway 155 from 5 km south of the Beaver River to the Waterhen River was delayed by slow contractor progress, but it will be finished in 2004-05.

- Continue the Centenary Enhanced Tourism Signing program to promote tourism. [2003-04 planned result]

  » The department received 151 applications for the Centenary Enhanced Tourism Signing program. Of the applications:

  - 58 initiatives are completed;
  - 12 initiatives were approved and are waiting for signs to be delivered/installed;
  - 70 applications are being reviewed; and
  - 11 applications were not approved.

- Improve rest stop signing, expand directional signing for parks and provide new information signs at five major border crossings. [2003-04 planned result]

» The department partnered with communities to establish six rest stops on the principal system. Planning is underway to establish four more rest stops in 2004-05.

» The department added rest area designation markers to the Official 2004 - 2005 Saskatchewan Road Map.

» The department surveyed three provincial rest stops on the principal highway system to evaluate user satisfaction and identify areas for improvement.

» New tourist information signs were installed at or near five border crossings as follows:

- North Portal Visitor Reception Center at the US border on Highway 39;
- Fleming Visitor Reception Center at the Manitoba border on Highway 1;
- Maple Creek Visitor Reception Center at 2 km west of the junction of Highway 21 on Highway 1;
- Lloydminster Visitor Reception Center at the Alberta border on Highway 16; and
- Langenburg Visitor Reception Center at Langenburg on Highway 16.

» Signing was expanded to two tourism attractions or parks including:

- Installing a companion sign on Highway 1 near Indian Head for Katepwa Provincial Park; and
- Expanding signage on Highway 1 at Maple Creek and installing trail blazers at Eastend to the T. Rex Discovery Center.

• With other jurisdictions and Environment Canada, finalize a mitigation strategy for salt usage. [2003-04 planned result]

» For a second year, the department participated in a national multi-stakeholder working group on road salts. This provided a forum for interested stakeholders to discuss and provide strategic advice on the effective management of road salts, which will ensure the environment is protected while road safety is maintained.

» The department continued to participate in the Road Salt Management Working Group under the Transportation Association of Canada (TAC) to mitigate the use of road salt.

» The department continued to minimize environmental impacts of road salt by:

- Investigating new technologies related to minimizing and better managing salt usage;
- Taking steps to reduce salt contamination by building improved salt storage facilities at four locations; and
- Starting the development of a provincial Road Salt Management Plan. The plan is 75 per cent complete and should be finished in early 2004-05.

• Finalize the infrastructure component of the Canada-Saskatchewan Forest Action Plan.

» A consultant commission for a desk-top review of forest access roads that may be required as a result of the forestry expansion has been completed by the department, Western Economic Diversification and the Saskatchewan Forest Center.

• Complete retrofitting all pavement marking units to use water borne paints. [2003-04 planned result]

» The department completed retrofitting all pavement marking units to be compatible with waterborne paints and at least 60 per cent of all paint applied to the road surface will be low volatile organic compound (VOC) waterborne material.

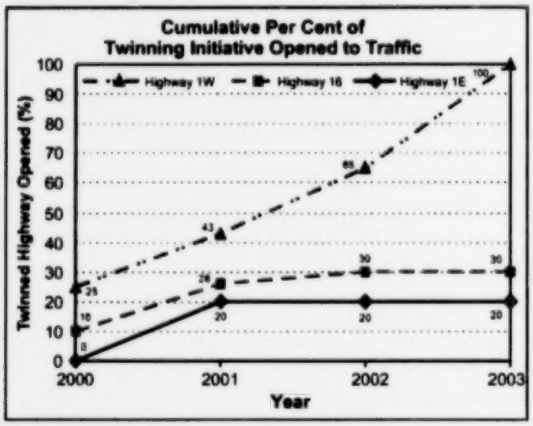
• Operate 12 ferries on the Saskatchewan River system. [2003-04 planned result]

» The department continued to operate 12 cable ferries on the Saskatchewan River system. Ferry operations started in mid to late April and continued until the middle of November.

» In 2003-04 the ferries carried 236,864 vehicles and 435,562 passengers. They operated for 38,768 hours and were out of service for only 0.97 per cent of the time. If out of service time related to water levels or high wind is removed, the ferries were out of service for only 0.31 percent of the time.

Measurement Results

Cumulative per cent of twinned highway opened to traffic



Source: Department of Highways & Transportation - Highway Inventory System

Measuring the cumulative percentage of twinned highway opened to traffic is an indicator of progress in delivering our twinning commitments. When a portion of twinning for a corridor opens to traffic, it contributes to the cumulative percentage opened for that corridor. The performance measure is calculated by dividing the cumulative length opened to traffic for each corridor by the length to be completed for each corridor. When the twinning on a corridor is completed, its cumulative percentage opened to traffic is 100 per cent

In 1997, the province committed to complete twinning the Trans-Canada and Highway 16 between North Battleford and Lloydminster on these specific timelines:

- Highway 1 west (108 km): Complete in the year 2008
- Highway 16 west (103 km): Complete in the year 2010
- Highway 1 east (168 km): Complete in the year 2012

In 2001-02, the Province committed to accelerate twinning Highway 1 west so it would be completed in 2004. On March 5, 2003, the Province and federal government announced a funding partnership that would complete twinning as follows:

- Highway 1 west in 2003 (now completed);
- Highway 16 between North Battleford and Lloydminster in 2007; and
- Highway 1 east in 2007.

For 2003-04:

- 100 per cent of Highway 1 west was opened to traffic. This is 35 basis points higher than the 2002-03 result, because the final 38 km of twinning was opened to traffic completing the twinned highway corridor between Regina and Calgary.
- 30 per cent of Highway 16 between North Battleford and Lloydminster was opened to traffic. There is no change from the 2002-03 result, as only grading was completed in 2003-04.
- 20 percent of Highway 1 east was opened to traffic. There is no change from the 2002-03 result, as only grading was completed in 2003-04.

The department has a high level of influence over this performance measure because it is responsible to develop a schedule, which will complete the twinning within the identified time frame. However, weather and contractor progress can influence performance results in any given year.

Objective 3 - Improved connections in the North

Unlike southern Saskatchewan, there is generally only one route to connect northern communities and provide access to health, education and social services. Providing basic mobility in remote northern areas is critical to supporting northern social and economic development.

The department is working to enhance the mobility of northern residents by improving northern community access roads and is committed to increasing the capacity of northern residents to participate in the delivery of transportation services.

The department is making progress toward this objective by increasing the cumulative percent of northern community access roads improved and the amount of transportation work contracted to northern communities/contractors.

Key Results

- Upgrade 40 km of access roads to 4 communities in northern Saskatchewan (Cumberland House, Dillon, Timber Bay and Montreal Lake). [2003-04 planned result]

  » The department upgraded 29.8 km of access roads to these four northern communities at a cost of $3.37 million. An additional 7.2 km are in contract and will be completed in 2004-05. The specific project results are as follows:

  - Completed grading 12.3 km of Highway 123 from 20 km to 35 km west of Cumberland House at a cost of $1.25 million.
  - Completed 5 km of base stabilization on Highway 925, between the junction of Highway 155 and Dillon at a cost of $276,000.
  - To improve access to Montreal Lake, 10 km of grading on Highway 969 from the junction of Highway 2 to 10 km north was started and 7.5 km was completed in 2003. The final 2.5 km will be completed in 2004-05.
  - To improve access to Timber Bay, 9.7 km of grading on Highway 969 from 10 km north of the junction with Highway 2 to south of Timber Bay was tendered in September 2003. Five kilometers were completed in 2003 and the remaining 4.7 km will be completed in 2004-05.

- As part of the enhanced forestry initiative complete 34 km of highway improvement projects in Northern Administrative District (NAD). [2003-04 planned result]

  » The department completed 19.2 km surfacing in two separate contracts. The remaining 15.2 km section of Highway 155 from 5 km south of the Beaver River to the Waterhen River was delayed by slow contractor progress, but will be finished in 2004-05.

- Work with forestry, mining and other partners to invest in road improvements that benefit the general public as well as industry. [2003-04 planned result]

  » The department has held regular meetings with northern mining and forestry interests to discuss potential partnership opportunities and ensure existing agreements continue to benefit industry and northern residents.

  » The department actively participated in implementing the Northern Development Agreement by working with northern Area Transportation Planning Committees to assess possible transportation projects that could be completed under this agreement. The department persuaded the federal government to cost share on improvements to the Athabasca Seasonal Road under this agreement. The $2.0 million project will be completed in 2004-05.

- Continue to partner/foster participation of northern groups and communities in the delivery of transportation programs and services that enhance employment opportunities for northern residents. [2003-04 planned result]

  » In cooperation with the Road Builders and Heavy Construction Association of Saskatchewan (RBHCA), provisions have been created in contract documents to ensure that contractors maximize business opportunities for local northern residents.

  » The department created employment opportunities for northern residents by contracting:

  - Maintenance of the Athabasca Seasonal Road with the Athabasca Basin Development Corporation;
  - Operation of the Wollaston Barge with the Hatchet Lake Denesuline First Nation Economic Development Corporation; and
  - Improvements to the Dillon Access Road with the Buffalo River Development Corporation.

» In December 2003 the department launched the Aboriginal Apprenticeship Program, a joint initiative with the Public Service Commission (PSC), the Saskatchewan

Government Employees Union (SGEU) and the Prince Albert Grand Council to provide aboriginal persons the opportunity to obtain a heavy duty journey-person mechanic status.

» The department contracted $4.28 million of transportation services from northern contractors/communities in 2003-04.

- Continue to work with northern Area Transportation Planning Committees (ATPCs) concerning comprehensive transportation planning. [2003-04 planned result]

  » The North Northeast Transportation Planning Committee (NNETPC) and the North Northwest Transportation Planning Committee (NNWTPC) hired a consultant to complete a joint regional transportation plan. The study was started in March 2003 and completed in March 2004. It included community consultations and a needs assessment. The province and federal government funded the study under the Northern Development Agreement.

  » The department along with the Athabasca Basin Transportation Planning Committee, Indian and Northern Affairs Canada, Saskatchewan Northern Affairs and Prince Albert Grand Council (PAGC) participated on a working group to evaluate financing options for building all weather roads in the Athabasca region. The report was completed in June 2003.

- Continue to develop and implement the transportation components of the Northern Strategy related to economic and social development.

  » The department continued working with Northern Affairs on transportation issues and participated in updating the Northern Strategy document.

- Operate and maintain northern seasonal access roads (overland and ice roads). [2003-04 planned result]

  » The department contracted the Athabasca Basin Economic Development Corporation to operate and maintain the:

  - Athabasca Seasonal Road (ASR),
  - Stony Rapids to Fond-du-Lac overland and ice route; and
  - Uranium City ice road.

  » The Athabasca Seasonal Road is not routinely maintained in the summer, but it is passable (except for 4 to 6 weeks during the spring) with light four-wheel drive vehicles and specially equipped freight vehicles.

  » The Hatchet Lake Denesuline First Nation Economic Development Corporation was contracted to operate the Wollaston Lake ice road and the Wollaston Lake barge.

  » The department operated and maintained the Cumberland House winter road.

- Lengthen the runway and improve the surface and lighting at the La Loche airport. [2003-04 planned result]

  » Improvements at the La Loche airport were completed at a cost of $550,000 The improvements included:

  - Lengthening the runway;
  - Strengthening the existing runway, taxiway and apron; and
  - Installing a precision approach path indicator (PAPI) system.

- Operate 18 northern airports and the Wollaston Barge. [2003-04 planned result]

  » The department operated and maintained 18 northern airports at a cost of $1.44 million and completed the following airport improvements:

  - Upgraded the parking aprons at the Pelican Narrows and Beauval airports;
  - Completed temporary drainage improvements at the Stony Rapids airport; and
  - Repaired runway depressions at the Fond-du-Lac airport.

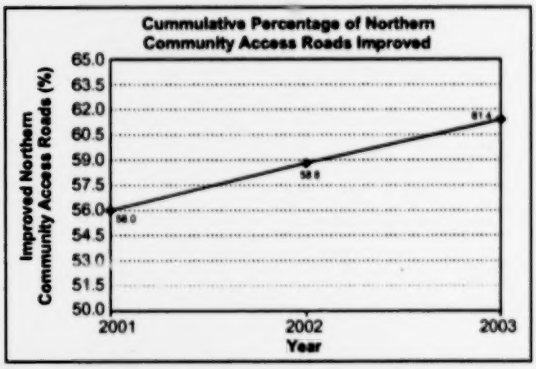
  » The Wollaston Barge started operating on June 15, 2003 and continued until October 22, 2003. A total of 700 vehicles used the ferry in 2003, which is 24 per cent more than 2002.

- Invest over $31 million to preserve, operate and improve provincial highways, bridges and airports in northern Saskatchewan. [2003-04 planned result]

  » The department invested $28.3 million to preserve, operate and improve highways, bridges and airports in northern Saskatchewan. Delays in approving projects under the Northern Development Accord, a late tender on the second Highway 969 grading contract and contractor delays on the reconstruction of Highway 155 reduced overall expenditures in northern Saskatchewan.

Measurement Results

Cumulative per cent of improved northern community access roads



Source: Department of Highways & Transportation - Highway Inventory System and Northern Region

A northern community access road is defined as any road that provides access to a northern community regardless of the road's length. Improvements include roads that are rehabilitated or upgraded. In 2001 the department identified 1 130 km of northern provincial highways as northern community access roads.

In 2003-04, 61.4 per cent of northern community access roads have been improved. This is 2.6 basis points higher than the 2002-03 result because the department completed 29.8 km of community access road improvements.

The department has a high level of influence over this performance measure because it is responsible to develop a capital investment program that supports its goals and objectives within the overall budget level. However, weather and contractor progress can influence performance results in any given year.

Goal 3 - Safe Movement of People and Goods

Objective 1 - Reduced collisions on the road

Safe movement of people and goods is a fundamental expectation of transportation system users. It is also a continual focus of the department in its design, operation, construction and maintenance activities. Through this focus on safety the department strives to reduce the number and severity of collisions on the road.

The department is making progress on this objective by completing infrastructure safety improvements, promoting work zone safety, increasing the number of Commercial Vehicle Safety Alliance (CVSA) inspections, reducing the number of unsafe commercial vehicles and regulating provincial railways.

Key Results

- Complete 36 safety improvement projects, four of which are major projects. [2003-04 planned result]

  » The department completed 36 safety improvement projects, including 8 projects funded by the Transportation Partnership Fund (TPF). Two projects will be completed in 2004-05.

  » The department completed three major safety improvement projects including:

  - Widening 10 km of Highway 16 west of the junction with Highway 4;
  - Widening 5.4 km of Highway 23 south of the junction of Highway 3; and
  - Widening 6.4 km of Highway 44 west of Elrose.

» With a significantly increased cost estimate, the 5.8 km widening and resurfacing project on Highway 5 east of Saskatoon was deferred pending a value engineering assessment for the appropriate design standard.

- Continue with communications plan to improve awareness of safety and speed requirements around large trucks, work zones, and emergency vehicles. [2003-04 planned result]

  » In 2003-04 the department:

  - Held the first *Orange Zone Challenge* with Campbell Collegiate in Regina. Students were asked to develop a creative design for print, radio or television ads to promote Orange Zone safety.
  - Started a second *Orange Zone Challenge* for high school students across the province.
  - Continued presenting safety to the public through the use of a Safety Booth at community shows. The Safety Booth presents information on the potential hazards in the Orange Zone and the Snow Zone. The booth delivers proactive messages that help the public understand how to interact safely with highway crews and equipment.
  - Participated in the *Share the Road* public awareness campaign to promote safety and awareness of driving with trucks on the road.
  - Secured *ROAD for cellular telephone users to access the Highway Hotline on the SaskTel Mobility network.
  - Published an updated Truckers Guide, which provides a compilation of information from the various government departments and agencies responsible for trucking. The guide has been well-received by carriers and operators.

- Ensure that all provincial rail crossings meet current federal regulations. [2003-04 planned result]

  » An inventory of provincial rail crossings was completed for the southern half of the province during 2003. Areas of concern were inspected and, where required, changes were made to ensure compliance with provincial standards.

  » Site specific modifications were made at crossings identified through complaints or spot inspections.

  » All rail crossings on the provincial highway system meet the current federal rail crossing regulations.

- Utilize federal funding through the National Safety Code to improve carrier safety. [2003-04 planned result]

  » The department received $193,000 from National Safety Code to improve carrier safety.

  » In 2003-04, 9,517 vehicles and drivers were inspected under the CVSA inspection program, which ensures vehicles are mechanically fit and drivers are complying with transport driver laws. The department exceeded the number of CVSA inspections required under the National Safety Code agreement by 917.

- To ensure that traffic safety issues are addressed on the provincial highway system complete 35 minor safety studies, 20 major safety studies and complete 15 minor traffic operation standard/development review projects. [2003-04 planned result]

  » The department:

  - Completed 84 minor in-service safety reviews and an additional 16 minor in-service safety reviews are in progress.
  - Completed major safety reviews at five locations and an additional 5 major safety reviews are in progress.
  - Completed four new minor traffic operations standards and another 51 minor standards are in various stages of development.

- Review the implications of any proposed changes in the federal hours of service regulations.

  » Saskatchewan fully supports implementing the new hours of service under the National Safety Code (NSC) on January 1, 2005. The trucking industry and government have

agreed that a uniform regulatory framework is needed in Canada.

» The implementation date has been delayed, so Saskatchewan will complete the provincial implementation sensitivity analysis in 2004-05, before the January 1, 2005 implementation date. The sensitivity analysis will allow the province to address unique Saskatchewan situations through its provincial regulations.

- Implement an action plan for a provincial rest stop strategy in partnership with municipal and private partners. [2003-04 planned result]

  » The department partnered with communities to establish six rest stops on the principal system and planning is underway to establish four more rest stops in 2004-05.

  » The department surveyed three provincial rest stops on the principal highway system to evaluate user satisfaction and identify areas for improvement.

  » The department is undertaking research to develop criteria and a comprehensive policy for truck rest stops.

- Ensure provincial ferries comply with new safety regulations under the *Canada Marine Act*. [2003-04 planned result]

  » The department completed upgrading the Riverhurst ferry and modified other cable ferries to satisfy Transport Canada's regulatory requirements.

  » The department started a ferry tower replacement program by replacing the towers at the Fenton ferry in 2003. The department plans to replace ferry towers at three additional sites in 2004-05.

- Improve safety of provincial railway operations to protect the public and railway employees by collecting and approving provincial railway safety management plans. [2003-04 planned result]

  » A guide for developing Rail Safety Management Plans (RSMP) was developed. It was distributed to affected stakeholders in October 2003 and posted on the department's web site.

  » All provincial railways are required to provide an RSMP. Common carriers must submit an RSMP by December 31, 2004. All other provincial railways must submit an RSMP by December 31, 2005.

- Complete development of Regional Escort Vehicle Standards. [2003-04 planned result]

  » There is a lack of common regulations between the provinces, so standard harmonization is still in the proposal stage.

- Conduct regular truck safety inspections at road side, permanent scales and major check stops. [2003-04 planned result]

  » The department's Transport Compliance Branch deploys 48 traffic officers in 14 detachments across the province and developed work plans, which balanced safety and compliance initiatives between road side checks, operating permanent scales and participating in major check stops.

- Conduct annual international truck safety inspections. [2003-04 planned result]

  » The department is a member of the Commercial Vehicle Safety Alliance (CVSA), which is an international organization that promotes vehicle and driver safety by developing best practice enforcement and education policies and procedures. All provinces and territories, all states in the United States and the country of Mexico belong to this organization. The CVSA organizes a commercial vehicle inspection event called "Roadcheck" every year. The department participated in this event on June 3rd and June 4th and inspected 644 commercial vehicles.

- Participate in Operation Air Brake campaign as part of international effort to reduce brake defects. [2003-04 planned result]

  » The department participated in two international Operation Air Brake events on May 1st and September 4th. During the two events 449 commercial vehicles were inspected.

- Conduct industry training to reduce CVSA inspection "out-of-service" rates. [2003-04 planned result]

» The department has an ongoing program that provides educational opportunities at the road side, vehicle inspection stations and place of business. It involves discussing pertinent legislation and providing drivers and carriers with educational pamphlets and promotional material.

- Expand a selective enforcement campaign to slow the average speed of large trucks on selected two lane segments of Highway 1 and Highway 16. [2003-04 planned result]

  » Twenty Transport Compliance Officers working in eight detachments focused on speed compliance along Highway 1 and Highway 16 between December 1st and February 29th. This schedule provided an effective use of human resources in the winter months when other truck inspection activities are limited by winter weather.

  » This campaign, which only targeted commercial vehicles, resulted in a total of 77 four hour shifts with traffic officers charging 30 drivers for speeding and providing 126 written warnings.

- Provide snow/ice control and removal on provincial highways in accordance with defined standards. [2003-04 planned result]

  » The department invested $24.3 million to provide snow/ice control on provincial highways in 2003-04.

- Ensure mowing shoulder cuts are completed by October 15 on all highways requiring mowing for snow control. [2003-04 planned result]

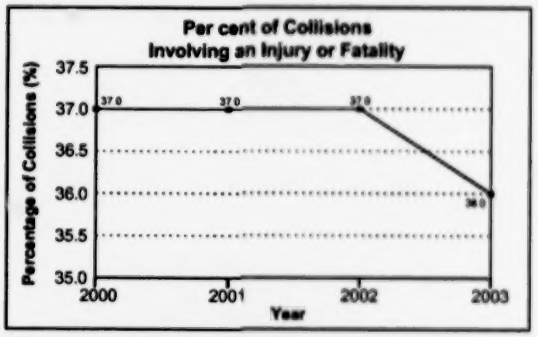
  » The department completed all mowing shoulder cuts required for snow control by the end of October.

- Perform 600 CVSA inspections during annual Roadcheck and 8 000 random CSVA inspections throughout the year. [2003-04 planned result]

  » The department inspected 644 vehicles during the annual Roadcheck event and completed 9,517 CVSA inspections.

Measurement Results

Per cent of collisions involving an injury or fatality



Source: Saskatchewan Government Insurance – Traffic Accident Information System and Corporate Support Branch

The vast majority of accidents are due to driver error and are beyond the department's control. However, the department continues to ensure that, wherever possible, it contributes to an improved level of safety through its highway design and construction. This measure gauges the effectiveness of infrastructure at reducing the severity of collisions by considering the rolling five year average of total collisions that result in an injury or fatality. Collisions involving wild animals are excluded from the performance measure.

In 2003-04, 36 per cent of all collisions on the provincial highway system involved an injury or fatality. This is one basis point lower than the 2002-03 results. Given the random nature of collisions, the variety of contributing factors and that there has been no statistical change over the previous three years, it is premature to conclude that this is a new trend.

The department has very little influence over reducing the total number of collisions. There are a number of variables that affect the number and/or severity of collisions on the highway system including: driver behavior, environmental conditions, enforcement campaigns, education campaigns, legislation changes, safety improvements made to vehicles, and average age of drivers. In fact, 70 per cent of all collisions can be attributed to driver error.

The department can complete safety improvements like twinning, intersection improvements, installing guard rails, flattening side slopes, installing rumble strips, and improved signage, which makes the infrastructure more forgiving in the event of a collision. These improvements may lessen the severity of the collision but not necessarily prevent it from occurring.

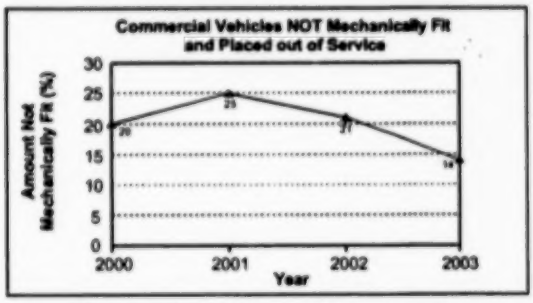
Ratio of partnership trucking fleet collision rate compared to Canadian commercial trucking *fleet collision rate*

This measure gauges how much safer trucks that take part in the department's Trucking Partnership Programs (TPP) are relative to the regular Canadian commercial fleet. Trucks operating under partnership agreements have higher operating standards and requirements than the average truck on the highway system. The measurement results help monitoring the effectiveness of the TPP standards in promoting truck safety and reducing collisions while increasing transportation efficiency.

The baseline result of 1:4.90 is based on 1999 results. The data for 2003-04 is not available, so the results will be reported in the 2004-05 Annual Report.

The department cannot influence the Canadian commercial trucking fleet collision rate. However, it develops the standards and policies required for vehicles and operators involved in the TPP. The department monitors and enforces these policies and standards to ensure companies in the TPP focus on commercial vehicle safety and operator competence allowing their trucks to operate as safely as possible.

Per cent of commercial vehicles inspected that are not mechanically fit and placed out of service



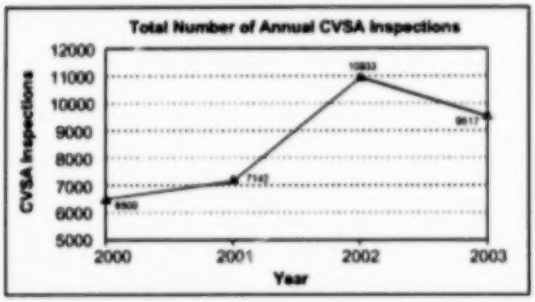
Source: Department of Highways and Transportation – Transport Compliance Branch

This measure provides an indication of the success of the department's safety communications messaging and enforcement efforts by monitoring the change in commercial vehicle safety rates. Using the results of the Commercial Vehicle Safety Alliance (CVSA) inspections it measures the percent of commercial vehicles that are not mechanically fit, but still operating on the highway system.

In 2003-04, 14 per cent of vehicles inspected through CVSA inspections and the Roadcheck event were not mechanically fit and placed out of service. This is 7 basis points lower than the 2002-03 result. The long-term trend suggests that the department's education and safety compliance efforts are reducing the number of unsafe commercial vehicles operating on the provincial highway system.

The department has some influence over this performance measure. Increasing transport compliance resources, more effective communication and focusing efforts on commercial vehicle safety inspections in conjunction with weight compliance activities enhances the importance and profile of commercial vehicle safety for Saskatchewan carriers. This should help reduce the number of unsafe trucks on the provincial highway system.

Number of Commercial Vehicle Safety Alliance (CVSA) inspections conducted per year



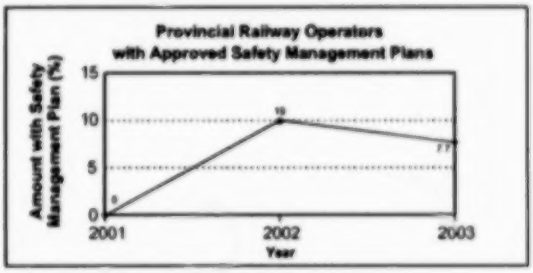
Source: Department of Highways and Transportation – Transport Compliance Branch

This measure monitors the number of CVSA inspections completed by the Transport Compliance Branch throughout the year and is used in conjunction with the previous measure to determine the effort placed into enforcing commercial truck safety.

In 2003-04, the department conducted 9,517 CVSA inspections. This is 1,416 CVSA inspections less than the number of inspections completed in 2002-03. The department completed fewer inspections in 2003-04 as it balanced the deployment of resources between commercial vehicle safety and weight compliance activities. However, the department still exceeded the number of CVSA inspections required under the National Safety Code agreement by 917.

The department has a high level of influence over the measurement results because it provides the direction and necessary resources for Transport Compliance Officers to conduct CVSA inspections, which help improve commercial truck safety on the provincial highway system. The federal government provided resources under the National Safety Code (NSC), which allowed additional CVSA inspections to be completed.

Percent of provincial railway operators with approved safety management plans



Source: Department of Highways and Transportation – Partnership, Programs and Services Branch

This measure gauges the department's ability to ensure provincial railways have developed procedures, which support safe railway operation. This measure is calculated by dividing the number of provincial railways with approved safety management plans by the total number of provincial railways.

In 2003-04, 7.7 percent of provincial railway operators had an approved safety management plan. This is 2.3 basis points lower than the 2002-03 result. In 2002-03 one out of ten provincial railway operators had an approved safety management plan. In 2003-04 there are three more provincial railways, but no additional railways have approved safety management plans. As a result, the percentage of provincial railway operators with approved safety management plans was reduced to 1 out of 13 (7.7%).

The department has a high level of influence over this measure because *The Railway Act* requires provincial railway operators to provide the department with a safety management plan and the department has the authority to approve the plan. Common carriers must submit a safety management plan by December 31, 2004. All other provincial railways must submit the safety management plan by December 31, 2005.

Objective 2 - Increased workplace safety

Many of the department's activities take place in a high risk environment as employees work near

high-speed vehicles, around heavy equipment or in an industrial construction setting. The safety of employees and contractors is of critical importance to the department. Through various policies and programs, the department strives to provide a work environment that is free from harassment and discrimination, meets the physical needs of employees, provides a sense of safety and security and promotes a healthy attitude.

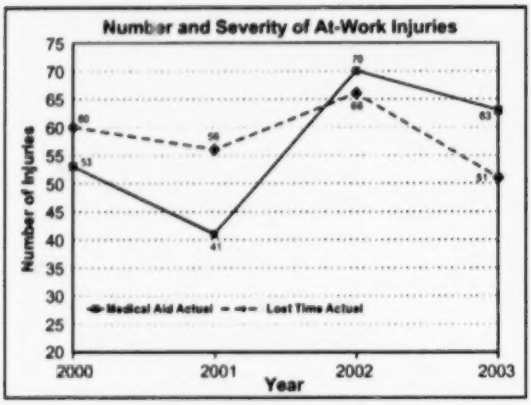
The department is making progress at this objective by promoting work zone safety and developing policies and processes to improve worker safety.

Key Results

- Deliver employee awareness training sessions regarding Safe Operating Procedures. [2003-04 planned result]
  - » Revised Safe Operating Procedures (SOP) have been posted on the department's internal occupational health and safety web site. The SOP changes have been communicated to staff and training procedures and manuals are being updated.
  - » Supervision and safety training for all supervisors has been developed. Training sessions are scheduled for 2004-05.
- Implement and extend use of new safety devices (e.g. wig wag lights on graders and other equipment, use of message boards, work apparel) in the department. [2003-04 planned result]
  - » The department is reviewing the installation of wig wag lights on all tandem trucks.
- Continue working with stakeholders and other agencies to promote safe driving through work zones. [2003-04 planned result]
  - » The department:
    - Held the first *Orange Zone Challenge* with Campbell Collegiate in Regina. Students were asked to develop a creative design for print, radio or television ads to promote Orange Zone safety.
    - Started a second *Orange Zone Challenge* for high school students across the province.
    - Continued presenting safety to the public through the use of a safety booth at community shows. The safety booth presents information on the hazards in the Orange Zone and the Snow Zone. The booth delivers proactive messages that help the public understand how to interact safely with highway crews and equipment.
- Continue improving and delivering employee safety training programs. [2003-04 planned result]
  - » The department is developing an orientation and training package that will be used for all new staff, and will form the basis of our documented safety training. The training package will be completed in May/June 2004.
- Work to improve occupational health and safety at construction sites through training, workplace audits, awareness and on-going communications.
  - » Twenty three site inspections were completed in 2003-04 with the average number of violations per inspection dropping in each of the last four years. Five office reviews of contractor safety programs were completed.
  - » Work is underway to adopt the Certificate of Recognition (COR) requirements for small contracts and sub-contractors.
  - » A cooperative project was started with the Roadbuilders and Heavy Construction Association to develop joint Safe Operating Procedures.
- Complete 30 workplace safety audits and document the results and actions taken to address the deficiencies. [2003-04 planned result]
  - » The department completed 25 construction work zone sign and traffic audits along with 20 contractor work site safety inspections.
  - » This is an ongoing partnership between the department, Saskatchewan Safety Council and the Heavy Construction Safety Association.

Measurement Results

Number and severity of at-work injuries



Source: Department of Highways & Transportation - Human Resource Branch, Occupational Health and Safety Statistics

Medical aid accidents are accidents in which the employee required medical aid after the accident, but returned to work on the next shift. Lost time accidents are accidents in which the injured employee is required to visit a health practitioner and is not able to return to work on the next shift.

In 2003-04 there were 63 medical aid accidents. This is seven less than the 2002-03 result.

In 2003-04 there were 51 lost time accidents. This is 15 less than the 2002-03 result.

The department's safety programs and policies influence the number of accidents, but there can be significant annual variations. The department has instituted better occupational health and safety policies, which increased awareness among staff for reporting medical aid accidents. The department also has an aging workforce, which contributes to an increase in the number of reported back and muscle strains/injuries.

2003-04 Financial Results

Program	2003-04 Budget ($ X 1,000)	2003-04 Actual ($ X 1,000)	Variance ($ X 1,000)
Administration	**4,433**	**4,118**	**(315)** [1]
Accommodation and Central Services	**8,627**	**8,059**	**(568)**
Preservation of Transportation System	**135,683**	**130,690**	**(4,993)**
Surface Preservation	121,629	114,162	(7,467) [2]
Regional Services	6,554	6,224	(330) [1]
Strategic Rural Roads Partnership Program	5,500	8,034	2,534 [3]
Revolving Fund - Net Financing Requirement	2,000	2,270	270 [4]
Operation of Transportation System	**59,273**	**64,840**	**5,567**
Winter Maintenance	18,240	24,301	6,061 [5]
Road Safety and Traffic Guidance	15,728	15,649	(79)
Operational Services	17,204	16,659	(545) [6]
Transport Compliance	4,894	4,444	(450) [1]
Ferry Services	3,207	3,787	580 [7]
Construction of Transportation System	**84,777**	**82,881**	**(1,896)**
Highways and Bridges	79,326	77,892	(1,434) [8]
Engineering Services	5,451	4,989	(462) [1]
Transportation Policy	**1,967**	**1,587**	**(380)** [1]
Airports	**1,432**	**1,557**	**125**
Airport Operations	1,432	1,545	113 [9]
Capital	--	12	12
Total	**296,192**	**293,732**	**(2,460)**

Explanations for major variances:

1. Reduced administrative costs related to the province's discretionary expenditure management initiative.
2. Reduced gravel preservation activity associated with dry conditions in northern Saskatchewan, deferred major resurfacing work to offset increased costs of snow and ice control and reduced gravel inventory replacement.
3. The Highway 45 upgrading project was delivered under the Strategic Rural Roads Partnership Program rather than Highways and Bridges, additional municipal partnership projects were approved and additional work was completed on several projects.
4. Increased capital machinery and equipment replacement.
5. Additional environmental mitigation on the Athabasca Seasonal Road and increased snow and ice control activity associated with April 2003 storms and an above average number of snow and ice storms in early 2004.
6. Reduced administrative costs related to the province's discretionary expenditure management initiative and reduced gravel pit acquisition program.
7. Increased costs related to the Riverhurst Ferry rehabilitation and meeting federal regulatory requirements for all provincially operated ferries.
8. Reduced expenditures on federal cost share projects due to the early winter and changing winter aggregate haul requirements.
9. Increased costs associated with snow and ice control activities as well as meeting Transport Canada regulations at the Wollaston airport.

2003-04 Revenue

The department collects revenue relating to sale of crown lands or material on behalf of the Government. The department also collects revenue from the federal government to reimburse the province for infrastructure improvements completed under federal-provincial infrastructure programs. All revenue collected is deposited in the General Revenue Fund. A summary of the department's 2003-04 budgeted revenue compared to actual revenue is provided below:

Revenues	2003-04 Budget ($000s)	2003-04 Actual ($000s)	Variance ($000s)	
Sales, Services and Service Fees	**1,444**	**1,323**	**(121)**	
Transfers from Federal Government	**28,813**	**27,682**	**(1,131)**	1
Prairie Grain Roads Program	14,690	14,355	(335)	
Strategic Highway Infrastructure Program	7,900	7,050	(850)	
Canada Strategic Infrastructure Fund	6,030	5,865	(165)	
Border Infrastructure Fund	0	219	219	2
National Safety Code	193	193	0	
Transfers from Other Government Entities	**175**	**253**	**78**	
Total	**30,432**	**29,258**	**(1,174)**	

Explanations of Major Variances:

1. Revenue from the federal government was reduced because a cost-shared construction project was not approved for cost sharing as originally expected and work on several other construction projects was not finished in 2003-04.
2. A resurfacing project on Highway 39 was approved under the Border Infrastructure Fund and winter aggregate processing was completed in 2003-04.

Transportation Partnerships Fund

The department is responsible for managing the Transportation Partnerships Fund (TPF). The department's Transportation Partnership Program (TPP) generated $1.3 million of revenue for the TPF. The TPF invested $2.1 million in transportation system improvements in 2003-04 and the TPF balance on March 31, 2004 was $1.3 million.

Revolving Fund

The department is responsible for managing and operating the Highways Revolving Fund. In 2003-04 the Revolving Fund's revenues were $31.2 million and its operating expenses were $30.4 million. A $2.27 million statutory net financing requirement was required to facilitate replacing aging equipment above the revenue generated from depreciation and net sales of existing equipment. Although the Revolving Fund budgets to break even (revenue equals expenditure) it can operate within a $1.0 million accumulated operating surplus or deficit from the break even position. At the end of 2003-04, the Revolving Fund had a $419,000 operating surplus.

Additional information on the Highways Revolving Fund is available in Appendix B.

Loans and Guaranteed Debt

The department administers the Short Line Railway Financial Assistance Program for the province. Additional information is provided in Appendix C.

Where to Obtain Additional Information

The department is confident that this report provides useful information about its performance results for 2003-04. If you have any questions or comments, or would like additional copies of the Annual Report, we invite you to call 787-4800, or contact:

Communications Branch
1855 Victoria Avenue
Regina, Saskatchewan S4P 3V5

Or send us an e-mail through the Saskatchewan Highways and Transportation website

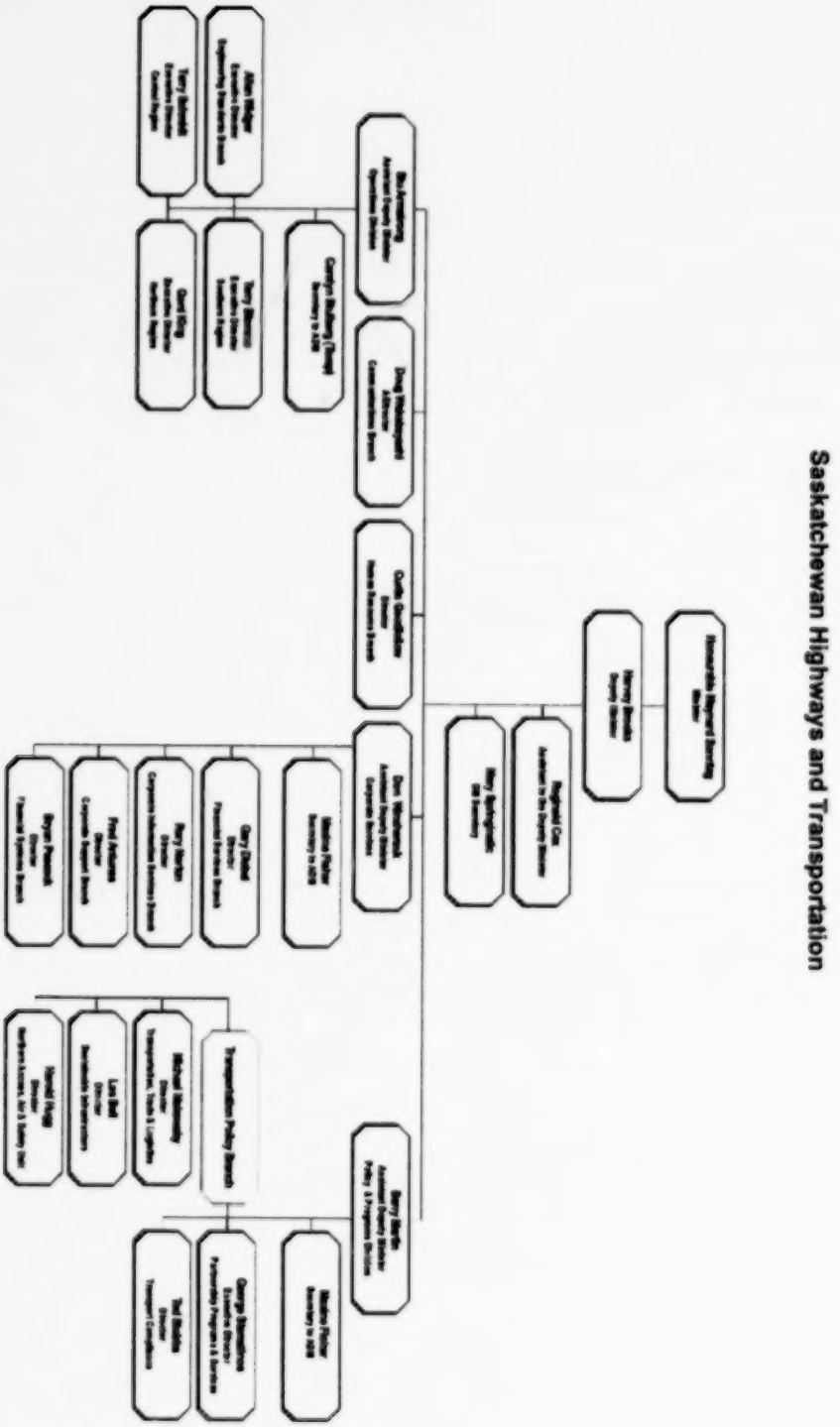
http://www.highways.gov.sk.ca

Visit our website to find out about:

- 2004-05 Construction Projects
- 2004-05 Spring Tender Schedule
- Road Conditions and Travellers Information
- Saskatchewan Truckers Guide
- Rural Road Classification Map

Appendix A

Organization Chart (As of March 31,2003)



Appendix B - Revolving Fund

The department is responsible for managing and operating the Highways Revolving Fund, which is used to manage the department's equipment fleet. Department crews use the equipment fleet to preserve and operate the provincial highway system. An efficient and effective equipment fleet ensures that the department can meet its long-term objectives related to infrastructure sustainability and traffic safety.

In 2003-04, the department's budget included a $2.0 million net financing requirement to facilitate replacement of aging equipment above the revenue generated from depreciation and net sales of existing equipment. The actual net financing requirement was $2.27 million. Although the Revolving Fund budgets to break even (revenue equals expenditure) it can operate within a $1.0 million accumulated operating surplus or deficit from the break even position. At the end of 2003-04, the Revolving Fund had a $419,000 operating surplus.

The Highways Revolving Fund allows capital acquisition of equipment to be charged to the department's operating and preservation budgets over several years based on actual use. It also allows equipment operating and maintenance costs to be allocated to the department's operating and preservation programs based on actual use.

The Highways Revolving Fund provided a financial mechanism to allocate the capital cost of equipment over multiple years when the General Revenue Fund expensed all costs in the current year. For 2004-05 the province implemented new capital asset budgeting and reporting policies for the General Revenue Fund, which will provide the ability to allocate capital costs over multiple years. All capital assets, including the department's equipment fleet, were transferred to the General Revenue Fund on April 1, 2004.

With the changes to the General Revenue Fund, the Highways Revolving Fund is no longer required to manage the department's equipment fleet and it will be discontinued as of March 31, 2004. Other financial mechanisms have been developed, which will allow the department to continue allocating equipment operating and maintenance costs to the department's operating and preservation programs based on actual use.

The following table provides summary information on budgeted and audited actual financial results for 2003-04 related to the Highways Revolving Fund. Explanations are provided for all variances greater than $50,000.

2003-04 Revolving Fund	**2003-04 Budget ($000s)**	**Actual ($000s)**	**Variance ($000s)**	
Revenue	28,077	31,212	3,135	1
Expenditures	26,215	28,856	2,641	1
General Overheads	1,612	1,546	(66)	2
Net Income from Operations	250	810	(560)	1
Loss on sale of equipment	(250)	(341)	(91)	3
Net (loss) income	-	469	469	
Accumulated Operating Surplus (beginning of year)	**(50)**	**(50)**	**-**	
Accumulated Operating (Deficit)/Surplus (end of year)	**(50)**	**419**	**369**	

Explanation of Major Variances:

1. Increased winter equipment usage due to an above average number of snow storms in early 2004.
2. Lower than expected administrative expenses due to the province's discretionary expenditure management initiative.
3. A number of units were sold with high net book value due to equipment replacement strategy.

Audited financial statements are available at *http://www.highways.gov.sk.ca*

Appendix C - Short Line Railway Financial Assistance Program

The department administers the Short Line Railway Financial Assistance Program. Under this program, the province can provide municipalities or local community groups that want to preserve rail service in their area with an interest free loan for the capital acquisition of rail infrastructure, which is being abandoned. The potential short line operator must have a business plan, which demonstrates that the short line railway is feasible. The loan is repayable over 15 years, with a discretionary 3-year grace period.

This loan program supports the department's objective of a "transformed regional transportation network to meet the future needs of rural Saskatchewan". A short line railway reduces truck traffic because agricultural products are hauled long distances by rail, rather than by large trucks on the provincial highway system. Reducing the amount of heavy truck traffic helps the department sustain the condition of rural TMS highways.

One loan was issued in 1999 to Red Coat Road and Rail. Since starting operations in 1999, 703 carloads were shipped by rail, thereby keeping approximately 1,700 semi truckloads of grain off area roads and highways. In this example, moving agricultural commodities by rail has resulted in fewer trucks, reduced road damage, lower grain handling costs, increased area net farm income and improved highway safety.

Short Line Railway Loans	2003-04 Budget ($000s)	2003-04 Actual ($000s)	Variance ($000s)
Beginning Balance	177	177	
Additions	1,000	--	(1,000) [1]
Reductions	--	--	
Ending Balance	**1,177**	**1,177**	**(1,000)**

Explanation of Variance:

1. Anticipated short line railway acquisition agreements were not sufficiently developed to require a loan in 2003-04.

Appendix D - Legislation and Regulations

The Minister of Highways and Transportation is responsible for the following Acts and Regulations:

The Highways and Transportation Act, 1997

The Wollaston Lake Barge Operation Regulations
The Controlled Access Highways Regulations
The Erection of Signs Adjacent to Provincial Highways Regulations, 1986
The Provincial Highway Designation Regulations, 1990:
The Highways and Transportation Act Regulations Autowreckers Licensing
The Vehicle Weight and Dimension Regulations, 1999
The Security of Loads Regulations, 1999

The Dangerous Goods Transportation Act

The Dangerous Goods Transportation Regulations

The Engineering and Geoscience Professions Act

The Railway Act

The Final Offer Arbitration (Railway) Regulations

The Sand and Gravel Act

The Saskatchewan Grain Car Corporation Act

The Government Organization Act (not responsible for Act, three sets of Regulations)

The Short Line Railway Financial Assistance Regulations
The Department of Highway and Transportation Regulations
The Railway Line (Short Line) Financial Assistance Regulations (Enacted in June 2004)